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ABSTRACT

This monograph is addressed principally to the policy maker and program planner dealing with job development, and defines some of the limits, problems, and needs of the field. Primarily, job development is concerned with the demand side of the labor market equation, dealing with the availability of job openings in general or for a particular group, and with the demand for workers. But the supply side--workers' qualifications and training--must also be considered by the job developer as he tries to lower the unemployment rate. While a generalized increase in labor demand will automatically dissolve a large section of the marginal jobless labor force, an important residue of disadvantaged unemployed who require special care and assistance to realize their potential as workers will remain. In this context, the paper considers the following topics: (1) Labor Market Information--Needs, Sources, and Gaps, (2) Workers and Jobs, (3) The Hiring Process, and (4) Full Employment, Job Development, and Job Creation. (CH)

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THE LABOR MARKET FRAMEWORK OF JOB DEVELOPMENT: SOME PROBLEMS AND PROSPECTS

by
R. A. Nixon

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FALL 1967

CENTER FOR THE STUDY OF UNEMPLOYED YOUTH

PURPOSE

The Center for the Study of Unemployed Youth of the Graduate School of Social Work reflects fundamental policies of New York University to reach out and contribute to the progress and development of the community.

The Center engages in a variety of activities designed to contribute to knowledge of the multiple problems faced by unemployed youth and to assist in the planning and administration of programs for such youth. By facilitating the interaction between practitioners and academic specialists, the Center hopes to improve understanding and skill in each area of concern resulting from the unemployment of young people. The activities of the Center are supported with funds provided by New York University, The Office of Economic Opportunity, the U.S. Department of Health, Education, and Welfare, and the U.S. Department of Labor.

PROGRAM

Research. The Center is currently completing a three-year study of changes in work attitudes and performance of youth enrolled in the Neighborhood Youth Corps in New York City.

Curriculum Materials. The Center develops training materials primarily through workshops and institutes, participated in by planners and operators of youth-work programs among federal, regional, state and community agencies. The curriculum materials are intended to serve the training needs of personnel engaged in youth-work programs at all levels.

Technical Assistance. The Center offers technical assistance in the planning, operation and assessment of Comprehensive Employment Programs and Scheuer nonprofessional programs for selected metropolitan areas.

Training. The Center designs and conducts training programs for staff personnel of the Bureau of Work Programs.

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PREFACE

Development of suitable jobs for the unemployed is a central manpower problem. This has been emphasized by the 1967 summer revolts in the slums of many cities where lack of job openings were invariably a major underlying factor. "Emergency" job development efforts followed many of these city crises. They were at best pitifully inadequate, and often abortive in their consequences because their failures only aggravated the frustration and anger of the unemployed.

The problem of job development is complex and many faceted. Job development refers to efforts to raise the general level of ordinary job openings in the nation and in each local manpower area. It also refers to the specially tailored development of job opportunities for the marginal and relatively disadvantaged unemployed. Such a job development program seeks to overcome the artificial and discriminatory barriers to the productive employment of such workers and to deal with the real employment disabilities that burden those still out of work when general unemployment rates are relatively low. In this latter respect the job developer seeks to find work for "his target population," to improve his clients position in the queue of unemployed even if that means that he, rather than someone else, gets a job.

Primarily, job development is concerned with the demand side of the labor market equation. It deals with the availability of job openings, either in general or for a particular group, and with the demand for workers. Relative to the supply side of the equation — workers' qualifications and training — the demand side of job development has been seriously underemphasized in current manpower and anti-poverty programs. But at the same time this demand and supply distinction is noted, it must be recognized that the two aspects of the problem intermix in the real world of the labor market.

Job development problems and programs mirror the controversy between those who stress the need of economic expansion to solve unemployment and those who put the emphasis on structural supply factors as the key issue. The job developer confronts the practical reality of both approaches. For him success requires a high level of general labor demand, not just shortages of selected skilled workers. Lacking this framework, job development is predestined for failure and frustration. But while such generalized labor demand will automatically dissolve a large section of the marginal jobless labor force, an important residue of disadvantaged unemployed who require special care and assistance to realize their potential as workers will remain.

As Gunnar Myrdal put it in his **Challenge to Affluence** "Economic expansion is the primary necessity if we want to lower the unemployment rate. Without rapid and steady expansion there is, indeed, little hope of success for any attempt, through moving, training and retraining those workers who make up the structural unemployment, to give them employment. . . . Much that looks like structural unemployment will undoubtedly disappear if there is a brisk enough labor demand. On the other hand, unemployment caused by a too low rate of economic expansion tends to destroy the labor force and render it less fit for employment. . . . This means that the present unemployment—and other types of undesired idleness and underemployment—cannot be cured merely by economic expansion."

To treat this total job development subject adequately would be a big undertaking, a major project of survey and wide ranging analysis far beyond the possibilities of this monograph. In this paper only a very limited approach is attempted to some aspects of job development, primarily for purposes of definition and background.

This monograph is addressed principally to the policy maker and program planner dealing with job development. It defines some of the limits, problems, and needs of the field. While the myriad practical problems of the local job developer are not discussed, it is hoped this paper will help clarify the subject for all concerned. The **Summary of Proceedings —Workshop on Job Development for Disadvantaged Youth** published by the New York University Center for the Study of Unemployed Youth suggests the many areas of the job development problem that are left untouched by this monograph. Future work must confront them and construct an integrated treatment of the job development required for genuinely full employment of our human resources.

I

INTRODUCTION

Job Development in a Comprehensive Youth Manpower Program

Proposing a special government employment training program for unskilled jobless workers, Senator Joseph A. Tydings (D. Md.) on March 22, 1967 told the United States Senate:

> "Job training is not an end in itself. It must be followed by a job. Too often, today, the Federal job training programs do not lead readily to job opportunities. Too often, a youngster completing a Job Corps or Neighborhood Youth Corps program finds himself with no real prospect that he can find a job to use his new skills. We cannot afford to take youngsters who already feel disillusioned about and cheated by our affluent society, and train them for jobs which do not exist or jobs for which they will not be hired. The Federal job training programs offer great promise. We must make sure that these promises are kept."[1]

The development of entry jobs for out-of-school, out-of-work, disadvantaged youth is a most crucial and difficult part of the national anti-poverty and manpower program. If the "promises" of these programs are to be met, such entry jobs must provide more than temporary, low-paid, dead end employment to perform menial work. To be counted as an accomplishment, an entry job developed for a disadvantaged youth must be a steady full time job at "reasonable" pay with "reasonable" advancement possibilities. It is by this yardstick that the success of youth-work programs ultimately must be measured.

I

The Role of Job Development in a Comprehensive Youth Manpower Program

Job development may be defined as the process of securing satisfactory employment openings for unemployed and underemployed members of the labor force. The process could be aimed to serve workers displaced by technological change, the physically or mentally handicapped, married women, older workers or the chronically unemployed of the slum and the depressed area. Or, as is the main concern of this monograph, job development can seek to achieve entry jobs for disadvantaged youth, many of whom are entering the labor market for the first time.

1. **Congressional Record.** 81st Congress, 1st Session, March 22, 1967, p. S4204.

The Target Population: Disadvantaged Youth

The target population of such job development comprises the almost one million out of school and out of work young people generally between the ages 16 to 22 years. For the most part they have less than a high school level of education and they have either not worked at all or have never held a steady job. While the characterization "hard core" seems inappropriate for these jobless youth, they nonetheless represent a marginal part of the labor force with special limitations on their employability.[2] The overall "creaming" selection process of the tightened labor market at a 4 percent official national unemployment rate has so far rejected them. Special attention is required to limit or eliminate their employability deficiencies and to open the "world of work" to these disadvantaged youth.

The characteristics of this marginal labor force have been widely described.[3] While there are many common deficiences, it is essential for job development purposes to recognize the wide range of differences in the nature and seriousness of the employability deficiencies of disadvantaged youth. The tendency to view all such youth as one homogeneous group is especially damaging when job development is considered. For these purposes three general employability categories of youth might be distinguished:[4]

A. That part—is it twenty percent?—of disadvantaged youth who have been so seriously wounded by their life experience as to be comparable to the physically and mentally handicapped insofar as normal employment is concerned. For them "surgery" is required: some form of sheltered or subsidized employment is the only realistic prospect.[5]

B. At the other end of the spectrum, a large percentage of jobless youth have no basic personal deficiencies and only require

2. See, for example, the concept of disadvantaged youth used in a special project of the Philadelphia Council for Community Advancement, the Jewish Employment and Vocational Service, and the Pennsylvania State Employment Service:
   Age: 17 through 21.
   Education: Less than high school with no expectation of returning to school.
   Work History: None, poor, spotty, or in occupations where there is limited demand.
   Residence: Within the PCCA "target area" (poverty area.)
   Abilities: Difficult to determine through normal PSES evaluation techniques.
   From the **Employment Service Review,** March, 1966. Article by Joseph Messick, "The Employment Service Cooperates," p. 11.

3. See for example, **Manpower Report of the President,** March 1966, Chapter 6, "Young Workers," pp. 87-96.

4. Other variations such as geographical location, ethnic preferences, community customs, all serve to complicate the problems of developing jobs for disadvantaged young persons.

5. Very young school dropouts, under 18 years of age, comprise a special group within this category and may require temporary sheltered employment for a period prior to job development for regular employment.

minimum preparation to perform adequately on a job. For this group, all that is needed is "a shot in the arm"—a realistic job opportunity. This requires the existence of job openings with barriers of discrimination and artificial non-performance employment standards eliminated.

C. Between these groups, and probably in an unbroken continuum of progression, are those youths who need more remedial and job readiness preparation and for whose employment a more serious adjustment in employer personnel and hiring practice is needed.

The Demand Sector of the Labor Market:

Job development must be an integral and integrated part of the total manpower process of achieving employability and employment. The supply and the demand sides of the process cannot really be separated. The characteristics and qualities of the labor supply cannot be considered in isolation from the demand for labor, employment requirements, and vice versa.

Not only must job development be an integral part of any youth manpower program, it should be operative at the very outset of the program. Job development must not be approached as a final phase of the manpower process to be implemented as training nears completion. Ideally, specific and guaranteed jobs should be developed in advance of training, even in advance of recruitment and selection of clients for the program. Lacking achievement of this "ideal" job development, the closer a project gets to guaranteeing specific jobs at the very outset the better. Two reasons make this important: **first,** to focus preparation and training effectively requires identification of the jobs to be filled; and **second,** assurance of employment at the end of the training road is decisive for good motivation on the part of the trainee. It would also doubtless have a salutary effect on the recruitment problem of drawing the most disadvantaged youth into the manpower program. This model of anticipatory job development has thus far been little observed in operation.

The inadequacy of job development and the consequent lack of placement after training, or placement that is unrelated to training or the reasonable aspirations of the trainee have had a serious negative effect on youth-work programs.

While the intimate interrelationship of the various parts of the manpower process must be fully recognized, job development puts emphasis

on the demand side of the labor market equation. This is desirable far beyond the requirements of defining a monograph subject. There has been a strong tendency in our manpower programs to put overwhelming emphasis on the nature of the marginal labor supply and the very real shortcomings of many of the unemployed and the difficulties of training and job preparation. It is easier and much more in conformity with conventional "blame the poor" attitudes to stress deficiencies and lack of motivation among the disadvantaged. This tendency is reinforced to the degree that minorities are involved. Services to affect the supply side—the provision of vocational education, counselling, training, remedial education and care—have been more readily susceptible to social planning and social legislation. Such governmental activities are welcomed by business since they have helped meet manpower needs in a time of a tightening labor market and have in effect and in part been an indirect subsidy to employers.[6]

This welcome has not been extended to the hiring process where "laissez-faire" principles zealously guard the corporate prerogative from "Big Government" interference. Manpower and anti-poverty personnel have found it much easier to deal with the "human resources" problem than to move into the sacred area of established employer personnel policies. This is due not only to the "No Trespassing" rule maintained by the employer, but also because many program planners and operators know relatively little about the private employment process and tend to accept its standards and operation as inviolate. Job Development moves into this difficult yet decisive area of action.

The Basic Classifications of Job Development:

Three distinct types of job development can be identified.

1. **The first is directed at the matching of unemployed persons and current job openings.** The labor market is to be made to operate more effectively. The major activity involves the filling of existing job vacancies by individuals or groups who would normally (traditionally) not be considered for such jobs. Employers needing labor are persuaded to adjust their hiring standards to allow hitherto excluded persons to be hired. This is, in a sense, an expanded Employment Service activity which goes beyond simple fulfillment of an employers job order to the "selling" of a parti-

6. **Wall Street Journal,** April 19, 1967, p. 1. "By now the increasing involvement of private business in public welfare, education, housing and other Great Society programs is well-known; less widely noted, though, is the fact that many companies, particularly the big ones, have become public advocates for the programs they're taking part in or may gain by. . . . Job Corps is viewed as a source of labor."

cular unemployed person, or group of such persons to the employer to meet his labor needs.[7]

In this predominate phase of job development a number of continuing services and outside relationships with the entry worker are often intertwined with the job placement. Thus increasingly an employer may not merely hire a disadvantaged person who has been already prepared and trained, but may be hiring someone who also has OJT training attached and/or a variety of supportive services during the initial period of employment. These services may include continuing remedial health and educational services, counseling and home service assistance, and even a transportation subsidy. The job developer "sells" the entire "bundle" as the placement process for the disadvantaged unemployed becomes more programatically advanced and sophisticated. Rather than sheltered or subsidized employment, a "sheltered and supported worker" may be employed.[8]

The matching and selling phase of job development in the past six years has proceeded under conditions of a tightening labor market. It is probable that job development of this type requires high labor demand relative to supply for success. During 1966 nonagricultural employment increased 2.0 million and the Armed Forces grew amost 500,000, continuing the trend of the past five years. Reversal, or even a leveling off of this trend, would drastically change job development requirements and possibilities.

2. **The second major type of job development seeks to open entry jobs by restructuring existing jobs.** The initial impact of this process is on workers already employed and creates new job opportunities in two ways:
   1. By redefinition of the requirements and functions of existing entry jobs, jobs are created for which less skilled disadvantaged workers can qualify.
   2. New routes of upward occupational mobility are developed permitting workers at the lower level labor grades to advance and vacate entry jobs which become available for the unemployed.

7. To an indeterminant but undoubtedly large degree, reports of "jobs developed" reflect ordinary job placements not the result of any particular "job development" efforts. With an expanding economy and tight labor market this "confusion" is easy, if not inevitable. Much of the "jobs developed" data also reflect the casual and temporary placements of a labor exchange rather than jobs "developed." An understandable interest in establishing records of accomplishment by job developers facilitates this tendency to overstatement.

8. In the Chicago Jobs Now project and its counterparts elsewhere, the entire job development and placement process is based on advance acceptance by participating employers. This "high support" program includes the assignment of a project "coach" who maintains a continuing close counselling and guidance relationship with both the youth and his employer.

Job restructuring in the private sector of the economy was extensive during the very tight labor market of World War II. While some such activity goes on constantly as a normal phase of personnel policy and operation, only the prod of serious labor shortages induces significant restructuring of jobs by private employers. Doubtless a certain step-up of such restructuring has occurred as the volume of unemployment has fallen in the past years. Some of the recent absorption of the relatively hard to employ probably reflects this development. But the labor market is not tight enough at the officially accepted 4 percent level to induce extensive and special job restructuring.[9] Certainly there is little evidence of significant job restructuring by private employers as a result of job development efforts by government supported manpower programs.

However, in some parts of the public service sector job restructuring is beginning to create new nonprofessional and auxiliary personnel entry jobs. This development responds to serious manpower shortages in education, health, crime control, corrections, welfare and other human services, and particularly to the shortage of skilled professionals. It also responds to the growing importance of the public service "industry" and the particular adaptability of many of the disadvantaged unemployed to work in human service jobs. Considerable employment has already been developed in such nonprofessional career jobs, and much more expansion of such employment is in prospect.[10]

3. **The third area of job development is the creation of "new" i.e. additional jobs to absorb the unemployed by increasing the overall demand for labor.** On a national basis this means general economic policies for "full employment" and is beyond the scope of this monograph. More related and adaptable on an area or community basis are various area development programs and the creation of public service jobs either in established nonprofit agencies or as a form of public works. Sheltered and vestibule employment, the Nelson program of conservation and beautification under the Economic Opportunity Act, the Job Corps and the Neighborhood Youth Corps, are all examples of one type of job creation.

"New" jobs may be created in particular regions, communities, or sections of a city as the result of special job development efforts. The

9. For example: "It was apparent in 1966 that the nation's labor force was not so fully employed as it was in 1952 during the Korean conflict, and that the potential for further employment growth was far greater." **Employment and Earnings and Monthly Report on the Labor Force,** U.S. Department of Labor, Bureau of Labor Statistics, January 1967, p. 13.

10. Schmais, Aaron, **Implementing Nonprofessional Programs in Human Services.** Center For The Study of Unemployed Youth, New York University, New York City, 1967, 83 pp.

Appalachian Regional Development Act and the Public Works and Economic Development Acts provide funds and programs aimed to increase employment in particularly depressed economic areas. Placement of government contracts and plant locations may be guided, subsidized, directed or enticed so as to provide more jobs and even especially more jobs for disadvantaged unemployed in a particular area. Job development in areas such as Watts or Hunters Point in California, or Harlem and Bedford Stuyvesant in New York City includes efforts to bring factories and offices into the ghetto to hire the ghetto jobless. Urban redevelopment and programs such as the "Model Cities" program of Title I of the Demonstration Cities and Metropolitan Development Act of 1966 can be planned to create jobs for the disadvantaged, both through the resultant construction work, general economic stimulation and new nonprofessional positions in human services. Some of this job creation is entirely general with only an indirect and incidental impact on disadvantaged youth. Other parts of job creation can be tailored for jobless young people, especially if the opportunity is taken to design the hiring process for this purpose.

II

Labor Market Information For Job Development: Needs - Sources - Gaps

To plan and carry out a job development program effectively requires detailed and up to date information about the labor market. That information needs to cover both the supply and the demand side of the labor market equation. General information is needed, but that is not enough. The job developer working with a marginal section of the labor force who are at a relative competitive disadvantage in the labor market needs special and detailed knowledge.

The required labor market knowledge must describe the **current** situation — for job development is a current and immediate process — but should also describe the prospective developments in the next year or so, and the general trends in the future. It must describe the local labor market as a first priority. It also should clarify associated and contiguous labor market conditions and identify the manpower trends of the entire country. The quality of labor demand — the types of occupations, the details about job openings, hiring standards and personnel practices, actual job performance requirements, conditions of work and pay — need to be known. The barriers to employment of the disadvantaged, racial or minority group prejudice and discrimination, union and legal limitations, employer practices and traditions, non-profit agency and government employment policies, should all be well known for a job developer to function effectively.

The special informational needs of the developer of jobs for disadvantaged unemployed exist because his task is not simply placement or matching of jobs and job seekers in the ordinary sense. Nor is the task simply to overcome some imperfections in the functioning of the labor market such as the failure to communicate information about job vacancies to the unemployed. Instead the job developer has to break down established barriers to hiring the disadvantaged. He has to be able to distinguish between artificial and legitimate performance-based hiring standards, to know what can and cannot be changed in the hiring process. He has to seek change in the institutional framework, union regulations and practices, community attitudes, and employer methods of hiring.

If job restructuring is to be suggested, guided, or induced there must be intimate and practical "know how" about the job and the work process involved as well as about the enterprise, business, plant, or office. Programs to provide sheltered employment or to create new job opportunities demand

thorough understanding of both the supply of workers and the demand conditions in the labor market. Moreover, the job developer at all levels has to deal with "the here and now," since "clients" are standing at the door.[11]

Projection of Future Manpower Needs:

Extensive efforts have been made to chart the future manpower needs of the economy to indicate what the broad occupational and industrial changes will be in the next five or ten years. The conclusions of these efforts and their implications for job development will be described in the next chapter. Some of the major sources of such projections are described in Appendix A.

Principal responsibility for development of manpower projections has been borne by the Bureau of Labor Statistics with the assistance of other federal agencies and an Interagency Growth Study Project. The analysis is a continuing one and is constantly being revised.

The **Occupational Handbook** emphasizes "Forecasts of the Future are Precarious!" The BLS warns "Projecting future manpower requirements is a difficult and hazardous task. They can be affected by a great variety of possible events. . . . Even if these non-economic influences were all that had to be considered, the task would still be difficult, since our knowledge of past economic trends and of the forces governing economic relationships is incomplete and imperfect. . . ."[12]

The job developer has to add to these warnings: the projections are general and may not help in Watts or New York's lower East side. They have but indirect relation to the special job opportunity problems of the million or so out-of-school and out-of-work youth he serves. This said, however, these projections provide a rough map of the future relevant to every person concerned with the labor market.

Local Manpower Information:

Information about the **local** labor market is at once a most critical need and a most grievious lack for job developers. However valuable general manpower information may be, the planner and operator of job development needs to know "the score" in his local area. The job developer's local area may be a city, a region, or a limited area in a city. These latter boundaries are set by the mobility limits of his "target population"— jobs available in the suburb may be irrelevant to the slum youth.

11. See Appendix A for specific sources of Labor Market Information.

12. Stambler, Howard, **Manpower Needs by Industry to 1975,** U.S. Department of Labor, Bureau of Labor Statistics, Report No. 2642 (from **Monthly Labor Review,** March, 1965) p. 279.

To our knowledge no community has developed labor market information adequate for job development. The manpower sections in the recently submitted "Model City Proposals" uniformly lacked the labor supply and demand information necessary for effective job opportunity development. It may be possible to carry on small-scale job development activities without such information, such as Chicago's JOBS NOW program which has a stated annual goal of developing only 3,000 jobs in a 4 million population city and which operates its program on the fringe of the normal ebb and flow of the job market. But an adequate job development effort with a goal of full employment must have more information than exists today.

The Department of Labor has outlined six sources of data for "Economic Assessment of the Area-Job Market Trends and Outlook" in implementation of the Concentrated Employment Program in selected poverty areas.[13] Prepared by the Department's Office of Manpower Policy Evaluation and Research, these sources represent what is now available for this purpose:

1. **Labor Area Reports by State Employment Services:**
   These bi-monthly reports are based on State Employment Service information gathered primarily from area employers. Current employment and prospective trends occupational shortages, unfilled openings, plant expansions or contractions, layoffs, etc. are included.

2. **Newsletters:**
   These are issued by State Employment Agencies on a monthly basis for public information. General labor market data is included.

3. **Manpower Picture:**
   These are detailed reports on "local manpower shortages and resources" from a number of state employment service agencies and for selected areas.

4. **Unfilled Openings Studies:**
   A special analysis is made every three months of unfilled job openings in the files of the local employment offices for the largest labor market areas. The Labor Department states that "This is the best source of information available on current job vacancies. It can be useful in job development and in planning manpower programs." In many local Employment Service offices, data on unfilled openings are available every month.

13. U.S. Department of Labor, **Concentrated Employment Program: Program and Policy Issuance Series: Directive No. 1,** April 10, 1967 "Guidelines for Development and Operation of a Concentrated Employment Program in Selected Poverty Areas" 28 pages, Appendix C.

5. **Job Vacancy Studies:**

   These are surveys taken in 14 areas which supplement the regular unfilled openings data by their coverage of vacancies in addition to those listed at the employment service offices. They are "one shot" surveys, the latest series being underway in 1967.

6. **Area Skill Surveys:**

   During the past several years a large number of surveys of "current employment and future occupational requirements" have been made for most important labor market areas. These reports are said to "relate community manpower resources to anticipated long-term occupational requirements." Most of them have been done by the State Employment Agencies.

   Some 300 of these area surveys—including 80 aimed specifically at Manpower Requirements—have been subjected to careful analysis and evaluation by Professor Bruno Stein of New York University.[14]

Professor Stein concluded that these skill surveys had extremely serious limitations even for general labor market purposes. For the special purposes of job development for disadvantaged youth these limitations are much more severe. Professor Stein reported that:

> "The data-gathering mechanism in existence in the 1950's and early 1960's was not geared to meet the demand for local area information. In a dynamic economy, Census information quickly becomes obsolete. The data activities of most State Employment Security agencies had been developed to provide Unemployment Insurance information. . . . Suddenly, as it were, local groups and state agencies had data gathering responsibilities thrust upon them. The response, in many cases, was heroic; all too frequently, the results were disappointing. . . . The general impression received by the principal investigator is that many were filed and forgotten."[15]

Job Vacancies:

Among the manpower data provided by the Labor Department, perhaps the most glaring deficiency is the lack of regular and adequate data on job vacancies. Although this gap has been officially recognized for several years, only experimental and pilot surveys have been made to overcome

14. Stein, Bruno and Leung, Cho-Kin, **Local Manpower Data Programs,** Institute of Labor Relations, New York University, 1966, mimeographed, 150 pages.

15. **Ibid.,** p. 107.

this lack. The feasibility of such a statistical series has been demonstrated, but the prospects of establishing a national survey are very uncertain.[16]

The job listings at the various Employment Service offices are of limited use for job development. The pilot surveys revealed that only about 30 percent of actual job vacancies were listed at the Employment Service. Efforts to develop new job orders on the basis of the experimental vacancy data were failures. It is probable that these data will never be very helpful in the search for job opportunities for the disadvantaged, whatever their value might be for ordinary matching of jobs and workers.

The national job development policy maker is not seriously hampered by lack of labor market data. But at every level more is needed to be known about the meaning of the terms skilled, semiskilled and unskilled. Much more objective data is needed about the performance requirements of jobs and better general knowledge about hiring standards and the hiring process is essential.

The closer job development gets to the operational level on a local basis the more serious is the lack of labor market information. Where job development has been limited to job placement—and this is the characteristic situation—rough "rule of the thumb" and pragmatic adjustments have been made to offset the lack of good guiding information. Sophisticated data are not necessary to make an attack on racially discriminatory hiring or on employment barriers related to arrest records and excessive educational standards. Public education favorable to hiring the disadvantaged has proceeded and "one to one" placement efforts have been made. But results have been very limited. One of the requirements for a more effective job development program is undoubtedly better labor market information. This is particularly true if job development is to go beyond placement to change the hiring process, to restructure existing jobs, and to create new employment as part of an overall job development program to achieve full employment.

16. U.S. Congress, Joint Economic Committee, **Hearings** before the Subcommittee on Economic Statistics, "Job Vacancy Statistics," May 17 & 18, 1966. See especially statement of Vladimir D. Chavrid, Director, Office of Manpower Analysis and Utilization, U.S. Employment Service, pp. 59-77. Also see Senator William Proxmire (D. Wisc.) **Congressional Record**, April 28, 1967, pp. 36047-49.

III

LABOR MARKET REALITIES AND MYTHS: WORKERS AND JOBS

The job developer functions in the real world, here and now. He may wisely and responsibly want to know what lies a few years ahead, but his task is immediate. He may wish things were different, but he must make the effort to get jobs in the labor market of today.

Although job developers deal with a marginal section of the population he should know the characteristics of the entire worker and job population. Only with this general knowledge can he deal intelligently with the problems peculiar to the margin of the labor market. Where are the jobs, what are the jobs, who works, what is changing in the labor force and in the employment picture? What is "the ball park" which the job developer enters? This section will attempt some answers to these questions, to focus on the realities and undermine some of the myths of the labor market for the benefit of the job developer seeking to aid the disadvantaged.

How is this information relevant for the job developer? It should provide the overall perspective about the world of work that is essential to the formulation of national policy or the planning of a community job development program. It should give the community job developer a guide to his priority objectives and the framework for his public and employer education efforts. Above all, a hard look at the world of work and at workers makes clear that job development is a realistic objective; that the disadvantaged are not a bunch of "odd-balls" basically incompatible with employment, that "ordinary" jobs are not disappearing and that only skilled technicians can expect jobs in the future.

I. The Work Force Today

During 1966 about 74 million civilians were employed, 4 million in agriculture and 70 million on nonagricultural jobs. An added 3 million plus were in the Armed Forces. Almost 64 million worked for either a wage or a salary and off the farm. Here's where they worked:

Manufacturing	19.0 million
Trade	13.2 million
Government (civilian)	10.8 million
Service (and Misc.)	9.6 million
Transportation and Public Utilities	4.1 million
Construction	3.3 million
Finance-Insurance Real Estate	3.0 million
Mining	60.0 thousand

Here's the general occupational group to which all the employed belong: (March, 1967)

White-Collar	33.7 million
Blue-Collar	26.3 million
Service	9.4 million
Farm	3.2 million

These occupational groups can be divided further:

White Collar Workers:

Professional and technical	10.0 million
Managers, officials, proprietors	7.3 million
Clerical	12.0 million
Sales	4.5 million

Blue Collar Workers:

Craftsmen and Foremen	9.6 million
Operatives	13.6 million
Laborers	3.1 million

Service Workers:

Private households	1.9 million
All other	7.4 million

Farm Workers:

Farmers and Farm Managers	1.9 million
Laborers and Foremen	1.3 million

These divisions tell us little about skill requirements, about performance requirements, or about training needed. The fact is that the government has no satisfactory basis for classification of jobs into skilled, semiskilled, and unskilled categories. Consequently, little basis exists for most generalizations about changing skill requirements in the American economy. Certainly the "white-collar—blue-collar—service" classification has little relationship to differing skill content of jobs.

Thus the classifications in the U.S. Department of Labor's **Occupational Outlook Handbook—1966-67 Edition** have only limited meaning. They report the labor force in 1964 as including:

Unskilled Workers 3.5 million

("Busy moving, lifting, and carrying materials in the Nation's workplaces")

Semiskilled Workers 13 million

("The largest occupational category . . . engaged in assembling

goods in factories; driving trucks, buses, cabs, and operating machinery.")

Skilled Workers 9 million

("Carpenters, tool and die makers, instrument makers, all around machinists, electricians, and typesetters.")

Age and Sex, Full and Part Time Status:

Of the 73.6 million civilians employed in May, 1967, 47 million (64 percent) were males while 26.5 (36 percent) were females. Young workers aged 16 through 19 numbered 5.2 million. (This is a pre-summer figure and does not reflect summer jobs of students). There were about 62 million working full time and 1.5 million full time workers involuntarily on part time. Another 10 million were voluntarily part time workers.

Personal Characteristics of Workers:

All sorts of people hold jobs in our economy. They have all kinds of shortcomings, personal problems, backgrounds, and attributes. While holding a job has requirements different than those for getting a job, recognition of the limitations of those who work—those whose employability is affirmed by their employment—should temper demands and expectations of those who seek work. Job developers should be deterred from setting up an idealized set of job standards, not typical of existing jobs. Otherwise unwarranted employment barriers will be created for disadvantaged marginal workers whose need is just the opposite—for assistance and easing of the route into work. It also needs to be remembered that in general whatever the workers' existing shortcomings, holding a job means that services rendered are worth the pay. Perhaps the worker could do much more with greater skill and diligence, but his performance at least is worth his compensation to an employer.

Thus the qualifications and characteristics of workers at a minimum define the acceptable standards and requirements of the jobs they fill. The following facts, then, are revealing about jobs as well as about job holders:

Educational Attainment:

Of the civilian labor force over 18 years of age in March 1966, some 41 percent had not graduated from high school. It is anticipated that by 1975 about 40 percent of the labor force over age 25 will lack a high school

diploma. About half of these with limited education will then be over 45 years of age. Almost 16 million workers in 1966 had less than 8 years of school. Nearly 28 million non-high school graduates will still be in the labor force in 1975.[17]

Handicapped Workers:

More than 15 million persons "at or near working age who live outside of institutions are limited either partially or totally in their ability to carry out their normal activities" including ability to work. These include both the physically and the mentally disabled. The Vocational Rehabilitation Administration estimates that there are more than 3.5 million persons of working age who could be rehabilitated to employment.[18]

Of this disabled population about 175,000 persons are rehabilitated and enter gainful employment each year; some three quarters of these people were totally unemployed prior to rehabilitation. The secretary of the Department of Commerce John T. Connor has stated that "there are more than two million mentally retarded persons working in private industry today."[19]

Several million more employed persons have physical disabilities. The **Wall Street Journal** reported in 1966 that many employers have found that mentally retarded persons perform very capably on many jobs, even doing some tasks more satisfactorily than normal workers.[20]

Police Records

It is probable that 10 to 15 million persons in the present work force have a police record of some kind. About 5 million persons are arrested each year. About one out of every six boys aged 10-17 have been referred to juvenile courts for delinquent behavior.[21] As we know from the employment rates in the adult period, most of these persons are ultimately em-

17. **Manpower Report of the President, 1966.** Table B-9, p. 237 and Table E-10, p. 275.

18. **Economic Opportunity Amendments of 1967,** Report of the Committee on Labor and Public Welfare, United States Senate, 90th Congress, 1st Session, Senate Report No. 563, September 12, 1967, Washington, United States Government Printing Office, 1967, p. 5.

19. **New York Times,** October 2, 1966, p. 106.

20. Groseclose, Everett, "More Companies Hire the Mentally Retarded to Offset Labor Pinch," **Wall Street Journal,** July 12, 1966, p. 1.

21. **The Challenge of Crime in a Free Society: A Report By the President's Commission on Law Enforcement and Administration of Justice, February, 1967;** and **Crime in the United States: Uniform Crime Reports - 1966;** Federal Bureau of Investigation, August, 1967.

ployed. The "arrest record" barrier which is so serious for youth entering the labor market, eventually largely dissolves and most such persons become employed.

Problem Drinkers:

It has been estimated that in 1959 "there are approximately two million regularly employed, middlestage alcoholics in American businesses and industries."[22]

Such problem drinkers are spread at random among the various occupational levels. A study of 200 members of Alcoholics Anonymous indicated that 30 percent of their group were in professional and managerial jobs; 31 percent were in service, semiskilled, and unskilled jobs; and the remaining 39 percent were in clerical, sales, and skilled occupations.[23]

Health:

A survey conducted by the Public Health Service in 1964-65 revealed that "of the 47.6 million men 17 years old and over in the labor force" half (54 percent) have at least one chronic health problem. Even among the employed men 25 to 64 years old there were 2.6 million (7 percent) who reported that "a chronic health condition caused them to curtail their work activities."[24]

These illustrative characteristics of the employed labor force suggest the wide dimensions of employability, and they warn against too restrictive and discriminatory an application of the term "unemployable," to the disadvantaged unemployed. As The Council of Economic Advisers in its 1967 Annual Report points out:

> "Often, a particular worker who is without a job cannot easily be classified as either frictionally or structurally unemployed. . . . It is obvious, for instance, that not all unskilled workers or older workers who were unemployed in 1961 were structurally unemployed; very large numbers of them found jobs in the subsequent period of expansion. **The reason why many of the unskilled or older workers who were without jobs in 1966 could be called structurally unemployed is not that they were necessarily different from those**

22. Trice, Harrison M., **The Problem Drinker on the Job,** Bulletin 40, New York School of Industrial Relations, Cornell University, April 1959, p. 7.

23. **Ibid.,** p. 5.

24. Rosenfeld, C. and Waldman E. "Work Limitations and Chronic Health Problems" **Monthly Labor Review,** January 1967, p. 38.

millions of unskilled or older workers who were at work ("emphasis added").[25]

II. **Labor Market Dynamics:**

A major characteristic of the American Labor market is its dynamic character. There are constant widespread shifts of workers between jobs, of entry and departure from the labor force, of geographical mobility, and shifts from employment to unemployment. The job developer confronts a rapidly changing situation rather than a static situation. Examples of this labor market volatility include:

1. Between 1965 and 1966 there was a **net** increase in the total size of the labor force of 1,715,000 persons. This change resulted from the fact that there were an estimated 3 million **new entrants** into the labor market while an estimated 1.5 million left the labor force by retirement or death.
2. Although the average unemployment during 1965 was 3.5 million, it is estimated that 12.3 million workers were unemployed at some time during the year.
3. About 10 percent of all those who work change jobs during the year. A special national survey for the year 1961 showed that some 8 million workers shifted from one employer to another.

   A later "BLS study found that about 5½ million of the almost 70 million Americans employed in January, 1966 were working in an **occupation** [my emphasis, to distinguish occupational and employer change estimates. RAN] different from the one they were in January 1965. Sixty percent of those who changed occupations were under 35 years of age. . . ."[26] Young workers generally change jobs much more than older workers. The following table shows the rate of job changing by age of male workers in 1961:

All males	10.1%
14-17 years	8.9%
18-19 years	23.5%
20-24 years	24.4%
25-44 years	12.5%
45-64 years	5.8%
65 years and over	3.4%[27]

25. **Economic Report of the President,** January 1967, pp. 103-104.
26. Saben, Samuel "Occupational Mobility of Employed Workers" **Monthly Labor Review,** June 1967, Page 31. (Special Labor Force Report No. 84).
27. Bancroft, Gertrude and Garfinkle, Stuart "Job Mobility in 1961" **Monthly Labor Review** August, 1963. (Special Labor Force Report No. 35).

4. In manufacturing during the entire year of 1966, there were about 60 "accessions" to the employment roll for every 100 employees. There were about 45 "new hires" for each 100 employees, and also about 45 separations other than lay-offs for each 100 employees during the year. These figures reflect **all** turnover actions including part-time, marginal, and repetitive changes. They do underscore the fact of great movement in the labor market.[28]

   As a balance to this volatility, it should be noted that out of 66 million persons at work in 1963 nearly 20 million had been in the same job for more than ten years. The average times spent on the same job for all workers in January 1963, was 4.6 years.[29]

5. An additional indication of the dynamic potential on both the demand and the supply side of the labor market is contained in the developments during World War II. Starting at a time when population and labor force totals were about two-thirds of present levels, it is estimated that between April 1940 and April 1945, the labor force grew 10,581,000. This growth included 12 million in the Armed Forces. It exceeded the projected labor force growth for that period (2,900,000) by 7,670,000. The excess was made up of 3,640,000 males and 4,030,000 females. The major source of growth was among those under 20 years of age. The teenage boys' labor force participation rate rose from 35 percent in 1940 to 57 percent in 1945, while that of girls rose from 19 to 34 percent.[30]

   More recently, since 1960, the total of employed civilians has grown over six million. These are the marks of a dynamic and enormously flexible labor market.

III. The Job Future:

All job developers, and particularly those concerned with future planning of job development, need to know the general trends in demand for workers. Such projections are difficult, but much effort and progress has

28. U.S. Department of Labor **Employment and Earnings and Monthly Report on the Labor Force — Table A-1.**

29. Hamel, H. R., "Job Tenure of American Workers, January 1963" **Monthly Labor Review,** October 1963, Vol. 86.

30. Durand, John D., **The Labor Force in the United States 1890-1960,** Social Service Research Council, New York, 1948, pp. 137-60.

been made in rationally sketching the probable job outlines of the immediate future. Again, it is necessary to note the limitations of national projections for the local labor market job developer. But the fact of such limitation does not mean the national data are irrelevant in the local area. In some instances —but most inadequately—national data have been supplemented by regional, state, or community projections.

Three aspects of the future world of work are particularly relevant to job development plans and need clarification:

1. What is the overall need for workers in the immediate future? Is the economy running out of things for workers to do?

2. What is the anticipated trend among different occupations and industries? Which will grow and represent job openings, which will contract?

3. What is the change in the skill and capability of workers required for the future? Is unskilled work disappearing?

Expected Employment Trends—By Occupation and Industry:

The actual and anticipated trends for major occupations and industries from 1960 to 1965, 1965 to 1970, and 1965 to 1975, are indicated in Tables A and B from the President's 1967 **Manpower Report.** The trends already apparent from 1960 extend into the future. The major occupational areas of expansion beyond the expected overall increase over 1965 of 23 percent in total employment by 1975 are in professional, technical and related workers (45 percent), service workers (35 percent), and clerical workers (31 percent). Operatives lag behind the average increase with only a 12 percent growth between 1965 and 1975, while there is a continued expected decline of 20 percent in agricultural employment.

All non-farm employment is expected to rise 25 percent between 1967 and 1975 — a net increase of 15 million workers. The biggest increase will be in state and local government — a rise of 48 percent and almost 4 million workers. The next largest increase rate is in the service category which will increase 42 percent, adding about 4 million workers. Trade employment is expected to add 3.5 million workers — a 27 percent increase — and construction will rise 32 percent with 1 million more workers. Although increasing only 10 percent, there will be 1.7 million more manufacturing employees in 1975. (See Table C)

TABLE A

Actual and Projected Employment by Major Occupation Group, 1960 to 1975

Major occupation group	Actual				Projected [1]				Change, 1960–65		Change, 1965–75	
	1960		1965		1970		1975					
	Number (thousands)	Percent distribution	Number (thousands)	Percent distribution	Number (millions)	Percent distribution	Number (millions)	Percent distribution	Number (millions)	Percent [2]	Number (millions)	Percent [2]
Total employment [3]	66,681	100.0	72,179	100.0	81.2	100.0	88.7	100.0	5.5	8.2	16.5	22.8
Professional, technical, and kindred workers	7,475	11.2	8,883	12.3	11.0	13.5	12.9	14.5	1.4	18.8	4.0	45.2
Managers, officials, and proprietors, except farm	7,067	10.6	7,340	10.2	8.4	10.3	9.2	10.4	.3	3.9	1.9	25.3
Clerical and kindred workers	9,783	14.7	11,166	15.5	13.1	16.1	14.6	16.5	1.4	14.1	3.4	30.8
Sales workers	4,401	6.6	4,715	6.5	5.3	6.5	5.8	6.5	.3	7.1	1.1	23.0
Craftsmen, foremen, and kindred workers	8,560	12.8	9,221	12.8	10.4	12.8	11.4	12.9	.7	7.7	2.2	23.6
Operatives and kindred workers	11,986	18.0	13,390	18.6	14.3	17.6	15.0	16.9	1.4	11.7	1.6	12.0
Service workers, including private household	8,349	12.5	9,342	12.9	11.1	13.7	12.6	14.2	1.0	11.9	3.2	34.5
Laborers, except farm and mine	3,665	5.5	3,855	5.3	3.7	4.6	3.7	4.2	.2	5.2	−.1	[4] −3.0
Farmers and farm managers, laborers, and foremen	5,395	8.1	4,265	5.9	3.9	4.8	3.5	3.9	−1.1	−20.9	−.8	−18.9

[1] Based on an assumption of 3-percent unemployment.
[2] Based on data in thousands where available.
[3] Represents total employment as covered by the monthly household survey of the labor force.
[4] Employment is projected at about the level of the past decade; however, because 1965 employment was unusually high, reflecting a sharp increase in manufacturing, the projected percent change from 1965 indicates an apparent decline.

Source: **Manpower Report of the President — 1967,** p. 274, Table E-8.

TABLE B

Actual and Projected Employment by Industry Division, 1960 to 1975

[Numbers in thousands]

Industry division	Actual				Projected [1]		Change, 1960–65		Change, 1965–75	
	1960		1965		1975					
	Number	Percent distribution	Number	Percent distribution	Number	Percent distribution	Number	Percent	Number	Percent
Agriculture [2]	5,723		4,585		3,745		−1,138	−19.9	−840	−18.3
Total nonagricultural wage and salary workers [3]	54,234	100.0	60,770	100.0	75,875	100.0	6,536	12.1	15,105	24.9
Goods-producing industries	20,393	37.6	21,845	35.9	24,530	32.3	1,452	7.1	2,685	12.3
Mining	712	1.3	632	1.0	620	.8	−80	−11.2	−12	−1.9
Contract construction	2,885	5.3	3,181	5.2	4,190	5.5	296	10.3	1,009	31.7
Manufacturing	16,796	31.0	18,032	29.7	19,720	26.0	1,236	7.4	1,688	9.4
Durable goods	9,459	17.4	10,386	17.1	11,480	15.1	927	9.8	1,094	10.5
Nondurable goods	7,336	13.5	7,645	12.6	8,240	10.9	309	4.2	595	7.8
Service-producing industries	33,840	62.4	38,924	64.1	51,345	67.7	5,084	15.0	12,421	31.9
Transportation and public utilities	4,004	7.4	4,033	6.6	4,520	6.0	29	.7	487	12.1
Transportation	2,549	4.7	2,528	4.2	2,970	3.9	−21	−.8	442	17.5
Communication	840	1.5	880	1.4	925	1.2	40	4.8	45	5.1
Electric, gas, and sanitary services	615	1.1	625	1.0	625	.8	10	1.6		
Wholesale and retail trade	11,391	21.0	12,683	20.9	16,115	21.2	1,292	11.3	3,432	27.1
Wholesale	3,004	5.5	3,317	5.5	4,135	5.4	313	10.4	818	24.7
Retail	8,388	15.5	9,366	15.4	11,980	15.8	978	11.7	2,614	27.9
Finance, insurance, and real estate	2,669	4.9	3,019	5.0	3,725	4.9	350	13.1	706	23.4
Service and miscellaneous	7,423	13.7	9,098	15.0	12,950	17.1	1,675	22.6	3,852	42.3
Government	8,353	15.4	10,091	16.6	14,035	18.5	1,738	20.8	3,944	39.1
Federal [4]	2,270	4.2	2,378	3.9	2,635	3.5	108	4.8	257	10.8
State and local	6,083	11.2	7,713	12.7	11,400	15.0	1,630	26.8	3,687	47.8

[1] Based on an assumption of 3-percent unemployment.

[2] Represents total employment as covered by the monthly household survey of the labor force (includes wage and salary workers, the self-employed, and unpaid family workers).

[3] Represents wage and salary employment as covered by the monthly establishment survey (excludes the self-employed, unpaid family workers, and domestic workers in households).

[4] Data relate to civilian employment only, excluding the Central Intelligence and National Security Agencies.

Source: **Manpower Report of the President — 1967**, p. 274, Table E-9.

TABLE C

Estimated Increase in Employment 1965-1975

Total Increase	**15 million**
Service	3.9 million
State and local government	3.7 million
Trade	3.4 million
Manufacturing	1.7 million
Construction	1.0 million

These are **net** gains in total employment and do not indicate the total of job openings which also include replacement of workers who die, retire, or shift jobs. The total figures are in many ways more important than rates of change. Thus of the expected 76 million non-farm workers in 1975, 20 million will be in manufacturing, 16 million in trade, 14 million in government (exclusive of Armed Forces and the Central Intelligence Agency), and 13 million in the service industry. (See Table D). These figures indicate the rough proportionality of the industrial location of job openings during the next eight years — until 1975.

TABLE D

Non-Farm Workers — 1975 Projection

Total	**76 million**
Manufacturing	20 million
Trade	16 million
Government (Other than military or CIA)	14 million
Service	13 million
Construction	4 million
Transport & Utilities	4 million[31]

Manpower Requirements for Full Achievement of Social Welfare and Urban Development Goals in 1975:

President Eisenhower in 1960 received a report from his Commission on National Goals outliinng a set of objectives "for the overall improvement in the pattern of American life."[32] These goals which are relatively conservative have been analyzed both as to dollar cost and manpower re-

31. **Manpower Report of the President - April 1967,** Rounded figures based on Table E-9, p. 274.

32. **Manpower Report of the President - March, 1966,** pp. 45-47. See also, Goals for Americans - Programs for Action in the Sixties—the Report of the President's Commission on National Goals—Prentice Hall, Inc. 1960.

TABLE E

Employment for Individual Goals in 1962 and Projected Requirements for Aspiration Goals in 1975, by Major Occupation Group

[Thousands]

Goal and year	Total employed	White-collar workers					Blue-collar workers				Service workers			Farm workers		
		Total	Professional, technical, and kindred workers	Managers, officials, and proprietors, exc. farm	Clerical and kindred workers	Sales workers	Total	Craftsmen, foremen, and kindred workers	Operatives and kindred workers	Laborers, exc. farm and mine	Total	Private household workers	Service workers, exc. private household	Total	Farmers and farm managers	Farm laborers and foremen
Net total, all goals:																
1962	67,846	29,901	8,040	7,408	10,107	4,346	24,278	8,678	12,041	3,559	8,802	2,341	6,461	4,866	2,595	2,271
1975	101,206	48,898	15,786	10,585	16,728	5,799	34,059	12,797	16,582	4,680	14,654	2,912	11,742	3,594	1,598	1,996
Consumer expenditures:																
1962	42,489	19,240	4,364	5,104	6,305	3,467	13,171	4,520	6,963	1,688	6,360	2,341	4,019	3,718	2,004	1,714
1975	58,649	28,478	7,279	6,786	9,857	4,556	17,431	6,062	9,214	2,155	9,728	2,912	6,816	3,012	1,340	1,672
Health and education:																
1962	9,069	5,446	3,878	250	1,007	311	1,769	750	804	215	1,739	.....	1,739	115	59	56
1975	17,140	10,662	7,571	420	2,215	456	2,639	1,152	1,198	289	3,729	.....	3,729	110	56	54
Housing:																
1962	3,424	1,068	212	340	347	169	2,139	1,147	620	372	121	.....	121	96	50	46
1975	5,422	1,788	444	542	592	210	3,347	1,844	971	532	196	.....	196	91	41	50
International aid:																
1962	509	150	42	32	56	20	178	55	102	21	15	.....	15	166	86	80
1975	812	318	105	58	129	26	294	113	150	31	40	.....	40	160	85	75
National defense:																
1962	3,457	1,317	499	218	495	105	1,942	738	1,059	145	132	.....	132	66	34	32
1975	3,264	1,484	716	217	465	86	1,587	620	843	124	150	.....	150	43	19	24
Natural resources:																
1962	652	226	68	55	83	20	310	137	121	52	66	.....	66	50	25	25
1975	1,201	477	191	100	157	29	559	261	213	85	127	.....	127	38	17	21
Private plant and equipment:																
1962	5,586	2,194	557	571	790	276	3,144	1,243	1,434	467	192	.....	192	56	29	27
1975	11,250	4,704	1,458	1,193	1,620	433	6,021	2,461	2,825	735	475	.....	475	50	25	25
Research and development:																
1962	2,289	1,229	737	131	296	65	913	291	519	103	95	.....	95	22	11	11
1975	4,295	2,424	1,562	259	502	101	1,659	564	958	137	191	.....	191	21	10	11
Social welfare:																
1962	4,594	2,082	624	405	659	384	1,421	501	744	176	675	191	484	416	215	202
1975	8,395	4,252	1,438	886	1,366	562	2,194	753	1,164	277	1,423	252	1,171	526	234	292
Transportation:																
1962	3,961	1,504	342	422	535	205	2,214	896	1,005	313	191	.....	191	52	27	25
1975	5,972	2,324	616	618	784	306	3,333	1,410	1,529	394	267	.....	267	48	24	25
Urban development:																
1962	6,336	2,264	507	695	761	301	3,691	1,825	1,204	662	245	.....	245	136	70	66
1975	10,160	3,778	925	1,121	1,332	400	5,855	2,985	1,930	940	408	.....	408	119	57	62
Minus double counting and transfer adjustments:																
1962	14,490	6,819	3,800	815	1,227	977	6,614	3,425	2,534	655	1,029	191	838	27	14	13
1975	25,354	14,791	6,819	1,615	2,291	1,366	10,860	5,428	4,413	1,019	2,080	252	1,828	624	310	315

NOTE: This table shows the manpower in specific occupations that would be required by 1975 for the achievement of an illustrative set of national goals designed to provide overall improvement in the pattern of American life. (See the *1966 Manpower Report*, pp. 45–46, for further explanation.) The simultaneous achievement of private and public (defense, etc.) objectives would require some 10 million more individuals by 1975 than are likely to be in the labor force.

The manpower requirements for each goal reflect both the direct and indirect employment resulting throughout the economy from the expenditures for full achievement of the goals.

SOURCE: Study on manpower requirements (scheduled for publication in 1967) being conducted by the National Planning Association for the Department of Labor.

Source: **Manpower Report of the President — April 1967,** p. 276, Table E-11.

quirements, assuming their simultaneous achievement by 1975.[33] It is estimated these goals would require a gross national product of over 100 billion dollars more than possible at full employment and a growth rate of a bit over 4 percent a year. The goal's achievement in 1975 would require an employed civilian labor force of 10 million more than the expected labor force at full employment in 1975.

Table (E) compares the manpower requirements for these "Aspiration Goals" by 1975 and the actual employment in 1962. While irrelevant to the operating job developer unless translated into actual job openings, these projected requirements suggest the magnitude of possible labor needs in the future and the realistic potentiality of the demand for workers to require full employment of all workers. Notable is the projected increase of health and education workers from 9 million in 1962 to 11 million in 1975; of social welfare workers from 4.6 million in 1962 to 8.4 million in 1975; of urban development workers from 6.3 million to 10.2 million by 1975.

The Future of Unskilled, Semi-Skilled, and Skilled Jobs:

One of the prevalent myths is that technological advances and changes in our economy are largely eliminating job openings for workers with no special skills and for blue-collar jobs. The corollary of this myth is that only specially trained and qualified workers can have realistic expectations for secure jobs, that the disadvantaged person with relative limits on his ...skills cannot expect to be anything more than a transient marginal worker. Thus **Life** Magazine editorially comments, "It is the Negro's misfortune that they are reaching true emancipation at a time when the nature of work is changing and it is no longer enough simply to work hard. The key to creating more jobs for Negroes is to enable them to develop the skills that the U.S.'s highly technical job market demands."[34]

It is true that the trained and skilled person has an advantage in the labor market, but current and anticipated facts of the labor market make clear:

1. Factory employment is and will continue to provide about one-third of all civilian nongovernmental jobs in the economy. Such jobs will increase in number to about 20 million in 1975.

2. About one-third of all employed persons are now and will be in 1975 "blue-collar" workers. In 1975, it is anticipated that —

33. Lecht, Leonard, **The Dollar Cost of Our National Goals,** Washington: National Planning Association, 1965. See also, **Manpower Report of the President - April 1967,** Table E-11, p. 276.

34. **Life,** September 15, 1967, p. 4.

while a somewhat lesser proportion of the total labor force than now — "operatives" or semi-skilled workers — will **increase** in number to 15 million. Even non-farm and non-mine laborers will be as numerous in 1975 as now.

3. There is no confirmed evidence that there has been any major increase in the general skill, training, or personal qualifications required to work productively in our economy. It is true that simple "strong back, weak mind" labor has decreased in importance and that high premiums are paid both in opportunity and income for the specially skilled craftsman and technician. But the most careful and complete study on this subject conducted by the Bureau of Labor Statistics for the National Commission on Technology, Automation, and Economic Progress reported:

   "The major conclusion of this study, which takes into account every technological change in American industry that can be identified and makes a careful appraisal of its potential effect on employment, is that the overall demand for less-skilled workers will not decrease over this 11-year period (1964-1975), although it will decline somewhat as a percentage of the total."[35]

4. Related to the previous point, but deserving special notice: the preponderance of evidence is that automation does not raise skill requirements and create what Professor James R. Bright of the Harvard Business School has called "a technological lookout for the common man." Professor Bright's conclusion after years of research is that "automation had reduced the skill requirements of the operating work force, and occasionally of the entire factory force . . . automation does not inevitably mean lack of opportunity for the unskilled worker. On the contrary, automated machinery tends to require less operator skill after certain levels of mechanization are achieved."[36]

A confirmation of this point is contained in the conclusions of a special study of "Changes in the Skill Requirements of Occupations in Selected Industries" by Morris A. Horowitz and Irwin L. Herrnstadt of Northeastern University that:

35. **The Outlook for Technological Change and Employment,** Appendix Volume 1, to **Technology and the American Economy,** prepared for the National Commission on Technology, Automation, and Economic Progress—February, 1966. Section on "America's Industrial and Occupational Manpower Requirements, 1964-75," p. 1-10.

36. Bright, James R., "The Relationship of Increasing Automation and Skill Requirements," in **The Employment Impact of Technological Change,** Appendix Volume 2, **Technology and the American Economy,** prepared for the National Commission on Technology, Automation, and Economic Progress, February, 1966.

"The overall or net change in the skill requirements of occupations in these industries (slaughtering and meat packing, rubber tires and tubes, machine shop trades, medical services, and banking) was remarkably small, despite the 15 years covered (1950-1965). . . . Substantive changes in occupational content were not common, and the number of obsolete occupations was few . . . there was considerable change in occupational requirements and content, but on balance it was either inconsequential or inconclusive with respect to overall skills."[37]

Reporting on a special study of manpower data in New York State, in 1965, C. A. Pierce, Director of Research and Statistics, New York State Department of Labor, stated:[38]

"If there is one thing we can be certain of, it is that almost everyone speaking about manpower training and education will make some kind of an assertion about the kinds of job skill needed in the future. . . .

Misinterpretation concerning future skill needs can easily result not only from poor projections but also — as happens too often — from publicizing projections without benefit of the kind of realistic interpretation that the manpower statistician or economist can give the data.

An example of inadequate reading of the data is found in assertions that automation, space-age technology, and so on, are rapidly carrying us into a situation where high-school education will no longer suffice as preparation for a job; that practically everyone will need some sort of post-secondary education or else specialized, protracted job training.

One cannot talk with an assurance about the situation 50 or even 25 years from now, but insofar as we can glimpse the picture of the next ten years, this view is not realistic.

Actually, we figure that jobs of higher skill did not account for much more than one-third of the employed labor force in New York in 1964, and probably won't amount to over 38 percent or so in 1975. I include here professional, technical, and craftsman jobs. The situation in the nation as a whole probably is not much different.

37. Horowitz, Morris A., and Irwin L. Herrnstadt, "Changes in the Skill Requirements of Occupations in Selected Industries," **Report of National Commission on Technology, Automation, and Economic Progress.** Appendix Vol. II, p. II-287.

38. Pierce, C. A., **Special Labor News Memorandum 107,** New York State Department of Labor, Division of Research and Statistics, September, 1965. Mimeographed, p. 9.

The lower-skill jobs such as those of clerical workers, sales people, operatives, service workers, laborers, and farm workers — jobs that for the most part do not require post-high school education or protracted job training (there are exceptions, of course) — will continue to be the vast bulk of all jobs. We figure that, including both replacement and expansion needs, up to two-thirds of all jobs to be filled during the next decade will be in this lower-skill category. . . .

Some persons have the specific impression that modern technology will require a vast expansion in technical manpower, especially at the subprofessional or so-called technician level. It is true that job needs in the technical occupation field will increase more than in other fields. But this doesn't mean that technical occupations represent a large demand for manpower or a field of many employment opportunities.

Our recently completed New York State survey of technicians and technical specialists shows them to be only about 2.5 percent of the total employed labor force. Even when professional engineers and scientists are added to the technicians, their combined number does not come to over 5 percent of the total. Despite the large growth that is expected to take place (over 50 percent in the case of technicians and technical specialists, somewhat less in the case of engineers and scientists), at the end of the ten years total employment in these technical fields will fall considerably short of 10 percent of employment in all fields.

I suspect that this kind of misreading of the manpower picture may be resulting, not in over-emphasis on technical education, but in inadequate attention to the problem of meeting manpower needs in the lower-skill categories (especially in service occupations); and also perhaps in a failure to recognize that for many in the labor force there is little prospect of obtaining jobs above the lower-skill levels."

These facts gain increased relevancy for the job developer serving disadvantaged youth, since his normal job opportunity targets are sensibly and realistically within the bottom half or so of the job skill spectrum where blue-collar, manufacturing, and lesser skilled work is concentrated. However, a warning is necessary against acceptance of the present disproportionate representation of minority groups and youth in entry jobs in other than the greatest growth occupational categories — ultimately this will mean aggravated job problems for the disadvantaged.

But the most relevant point for the job developer is that expressed by Professor Bright who warned that:

> "excessive educational and skill specification is a serious mistake and potential hazard to our economic and social system. We will hurt individuals, raise labor costs improperly, create disillusion and resentment, and destroy valid job standards that are not truly needed for a given task . . ."[39]

IV. Employment by Size of Employer:

The 500 largest industrial corporations listed in **Fortune** magazine had 12,307,000 employees at the end of 1966. Add to this list 50 more concerns, the ten largest employing commercial banks, life insurance companies, merchandising firms, transportation companies, and utilities, and the total employment for these 550 huge business units totals around 15 million. The importance of these large businesses is highlighted by the total employment in specific firms:

General Motors	745,425
American Telephone & Telegraph	650,800
Ford Motor	388,016
General Electric	350,000
Sears Roebuck	300,000
U.S. Steel	205,544
International Telephone & Telegraph	204,000
International Business Machine	198,186
Chrysler	183,121
Western Electric	168,369
Standard Oil (N. J.)	149,000[40]
Great Atlantic & Pacific Tea	140,000
Montgomery Ward	105,423
Pennsylvania Railroad	66,538
Prudential Life Insurance	59,920

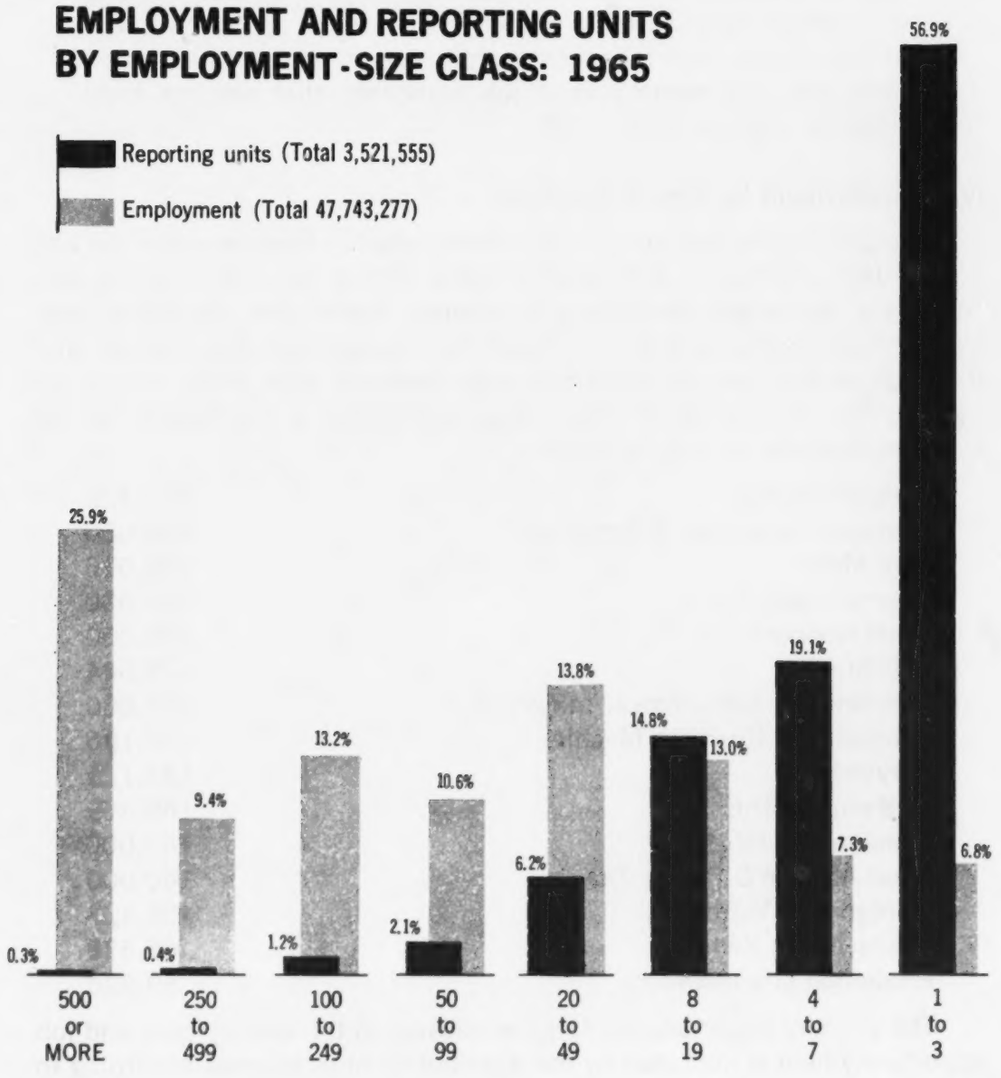
The primary importance of large employers in the employment and job opportunity field is indicated by the distribution of employees according to employment size class. These data are gathered by the Bureau of the Census and based on employers reports to the U.S. Treasury Department. See Diagram, page 34.

The latest figures for March 1965 include 66.2 percent of all employees covered by Social Security, almost 48 million employees. In these data it should be noted that each "reporting unit" in manufacturing refers to a

39. Bright, **op. cit.**, p. II-220.

40. **Fortune,** June 15, 1967, Vol. LXXV, No. 7, pp. 196-225.

PERCENT DISTRIBUTION OF EMPLOYMENT AND REPORTING UNITS BY EMPLOYMENT-SIZE CLASS: 1965



Source: **County Business Pattersn 1965 U.S. Summary,** U.S. Department of Commerce, Table I-20.

separate manufacturing location of a company. Thus each General Motors plant, for example, is separately reported. This adds emphasis to the high concentration of employment in large employing units.[41]

In 1965 26 percent of all employees worked in employing units of 500 or more workers, although such units were only 0.3 percent of all employing units. At the other extreme, employers with less than 20 workers hired only 27 percent of all employees although they comprised 91 percent of all employing units.

In manufacturing 298,930 units employed 17,595,093 people in 1965, but 5,379 or 1.1 percent of these units with over 500 employees, hire 7,690,285 or 43.7 percent of the total workers in manufacturing plants. Employment in other industry groups such as services and retail trade is less concentrated among large employers. For example in retail trade 1,083,206 units employed 8,963,742 persons. In 906 or 0.1 percent of these units there was 1,083,206 or 12 percent of the total retail employment. A high degree of concentration of jobs in large units is found in the nongovernmental human services categories: in medical and other health services about 35 percent of the workers (710,770) were in units of 500 or more employees; in nongovernmental educational services, 36 percent (232,785) were in employees of the "over 500" employment class.

These data underline the importance of developing job opportunities in the large business firms. This point gains importance if it is assumed that, as it has in the past, large companies will be increasing their share of the total employment picture. But this is not intended to deny the importance of jobs in small business, only to suggest that job development must emphasize entry into large established firms by disadvantaged workers.

Some Conclusions:

A hard look at the labor market as it actually is, and at the best informed projections for its future, should help the job developer devise a strategy for intervention in the employment process to open job opportunities for disadvantaged youth.

It needs to be emphasized again that national data may or may not be directly relevant to any given local labor market. Also data may have different meaning and relevancy depending upon the level of job development involved. For example, JOBS NOW, seeking to develop 3,000 jobs in the Chicago ghetto area, has different needs for guidance than, say Chicago's Mayor Daley confronting the entire problem of developing job

41. U.S. Department of Commerce, Bureau of the Census, **County Business Patterns 1965: U.S. Summary,** CPB-65-1, February, 1967 Government Printing Office, Washington, D.C. (Government employees, farm workers, self employed, separately reported domestic workers, and railroad employees are not included in these tabulations.)

opportunities for all the jobless of his city. Also, data indicating the concentration of jobs in larger employer units has meaning to the urban job developer, and not so much meaning to the rural or small community operator. But the present and prospective realities of the labor market should dispel some of the myths that threaten to deter or mislead the job developer.

A myth that may tend to deter the job developer and discourage the job seeker is that the need for more productive workers in our economy is coming to an end and that the labor market has become frozen and static, at least for all but an elite group of specialists. Actually the labor market of the future will requrie a large proportion of workers of very limited education and modest capacity. Insofar as skill requirements are concerned there are no revolutionary changes under way which categorically relegate today's disadvantaged unemployed to an unemployable status.

The facts are that the labor force is not now and will not be large enough in the foreseeable future to meet the manpower needs necessary for achievement of a modest set of national human welfare goals. Government service employment, already very large (21 million), is expected to increase rapidly (to 27 million by 1975), and provides a special potential for job openings for the disadvantaged. Furthermore, there is a constant large scale turnover and adjustment in the labor market.

Another misconception is the view that the unemployed are a group distinctly set apart from those who are employed, possessed of unique human limitations which explain their failure to find jobs. Of course, it is true that the unemployed, whether their number is 3 million or 6 million or more, collectively possess characteristics that in a general way explain why they rather than some others are jobless. This reflects the rough "creaming" of the employer's recruitment process. But this should not be translated into an inherent and generalized "unemployable" categorization. The unemployed are employable. Many millions of workers with similar disadvantages and limitations **are** at work. Adequate recognition of this fact is essential if excessive and incorrect "blame" is not to be put on the unemployed person and if adequate emphasis is to be given to the demand side of the employment process, to the development of job opportunities.

Finally, the facts make clear that if job development is to be adequate and pass the token and demonstration stage, it must open job opportunities in the major and growing sectors of the economy. Particularly, the largest employing corporations, the largest and most securely established employers must be centrally involved in successful job development. Excessive reliance on the small, transient, and marginal employer will prove inadequate both in the number and quality of jobs developed. Moreover, the

rapidly growing public service sector represents a major source of entry jobs for the disadvantaged. The program of "New Careers" for the poor must necessarily be a major area of job development.

IV

Labor Market Realities and Myths
The Hiring Process

Knowledge of the hiring process, the standards and procedures in effect, is of crucial importance to the job developer. Yet this is an area of very little organized information. This is true both on a national and a local basis. Even the formal hiring requirements as stated in personnel application forms are little known and less analyzed. Furthermore the gap between the formal standards and the actual operational standards may be very great for a number of reasons.

Depending primarily on the tightness of a particular labor market, standards as barriers to employment may contract or expand like an accordian. As Frank Cassell, the former Director of the United States Employment Service put it:

> "In the face of growing labor shortages, educational requirements are being reduced; hiring ages are raised or lowered; personal appearance becomes less important; it is found that people can be trained faster than we had assumed; physical requirements are lowered; and a second and even a third look are taken at the unstable job records, police and arrest records, and many other factors which once were given short shift."[42]

It is well to remember that this shift in standards is a two-way process. An easing of the tight labor market, a slight beginning of lay-offs or cessation of hiring, will lead to upward revision in hiring standards. For example the National Industrial Conference Boards "Job vacancy" survey in Rochester, New York reported an average 8 year education requirement in February, 1965 which shifted to a 12 year high school graduate standard by June, 1965 when the relative supply of labor increased in the area.[43]

To complicate matters this variation in hiring standards will vary between different employers in a community. The more established corporation, with stable manpower needs, with prestige and a reputation as "a good place to work" for pay and security reasons may not have to alter his hiring standards. The new employer, the war production related employer experiencing fast and extreme growth, and the marginal employer with less attractiveness in the same labor market may drastically reduce hiring

42. Cassell, Frank H., "Jobs For the Hard-To-Employ in Private Enterprise," in **Critical Issues in Employment Policy.** A Report of the Princeton Manpower Symposium, May 12-13, Frederick H. Harbison and Joseph D. Mooney, (Eds.), Princeton University, 1966, p. 82.

43. Ross, Arthur M., "Counseling and the World of Work in the 1970's," **Occupational Outlook Quarterly,** U.S. Department of Labor, Bureau of Labor Statistics, May, 1966 Vol. 10, No. 2, p. 23.

standards. Moreover, there are variations between stated top policy regarding hiring standards and the reality in the personnel office.

Also there may be differences between the public relations posture and the actual hiring practice. For example, in one large mid-west city a program and its President heads up that community effort. At the same major company furnishes free space for the anti-poverty job development time this company advertises for "housekeepers" with high school diplomas. A company's job order submitted to JOBS NOW in Chicago reflects relaxation of its high school diploma requirement, but adds "polygraph test" to its requirement. The test is used to ask the applicant whether he "has committed any crimes for which he was not arrested!" At a government conference on minority job opportunities, the spokesman for a major Eastern corporation in Newark, N. J. dramatically related the "massive rethinking" that his city underwent after a racial crisis in 1965. Upon inquiry, he concedes that his own company made no revisions in its hiring standards during this "rethinking" process.

How, and how much, can a job developer influence this hiring process so as to increase the employment of disadvantaged youth? What are the limits beyond which a job developer in the private profit sector cannot be expected to go? At what point does the job development program turn its attention to the provision of some type of sheltered and subsidized employment and to "job creation?"

To approach these questions it is necessary to recognize that employers are in business to make as much money as they can and that an essential part of this process is hiring the best work force and getting maximum production per dollar spent.[44] As we shall see, there are certain possible marginal modifications to this approach, some considerations of long term versus short term objectives, some public relations and public service areas of discretion. But the job developer will be well advised to recognize the primacy of the private profit objective. This means that "creaming" **has** to be the general order of the day for the private employer. It means that job development based on the employer's "public conscience" has a very limited potential.

The job developer has to function within the creaming process, within the confines of the employer's efforts to recruit the best possible labor

44. As an employer remarked at a New York University Workshop on "The Impact of a Tightening Labor Market on the Employability and Employment of Disadvantaged" (April 20, 21, 1966), "Money, of course, has no conscience. As a result, when there is a loose labor market, management slots the best available candidate for the job. The bottom segment of the labor market has always been overlooked — you don't tap it unless there is a manpower shortage." **Workshop: Summary of Proceedings,** Center for the Study of Unemployed Youth, New York University, p. 6.

force to serve his money making purpose. He needs to understand the various standards governing the "creaming" process, if he is to alter those standards in any effective degree.

The standards for hiring — the barriers to hiring — relate to both the actual requirements and to the employers conception of the actual requirements to perform a given job; to the employer's estimate of a workers potential for advancement beyond the entry job, and to the employer's estimate of how the worker will fit on his production "team." They may also reflect institutional and legal requirements, safety and age regulations, and in some instances trade union membership requirements. The union relationship to entry standards in some areas of work is important, but for the most part and for most jobs trade unions have nothing to do with hiring. This is particularly true of factory and most production work. An employer's hiring standards may be correct or incorrect insofar as real job performance needs are concerned, may be important or largely irrelevant insofar as advancement is affected, and can be sensible or evil or groundless insofar as the employer's concept of the "best work team" is involved.

In any case, the job developer needs to understand these shifting and varied patterns of employment hiring standards. Where the standards are spurious — incorrect from the employer's profit point of view — the job developer may in some cases be able to "educate" the employer and achieve alterations that will open up job opportunities. Where discrimination is the barrier, a "carrot and club" combination may be effective. Where institutional or legal barriers blockade entry to jobs, these may be changed. Where job performance demands are exaggerated and a serious factor preventing employment for the disadvantaged, the job developer may be an intermediary between the demand and the supply side, coordinating adjusted hiring standards with job preparation programs to "shoe-horn" the hitherto excluded youngster into a job.

While the various employer standards are barely susceptible to generalization, the following considerations may help the job developer:

Entry Job Performance Requirements:

In general hiring standards for entry jobs tend seriously to exaggerate the requirements for performance of those jobs. Unfortunately, very little hard information exists about the skill and capacity required to fill such jobs, particularly those in the low and semi-skilled categories. Governmental job descriptions and classifications such as those included in the Department of Labor's **Occupational Outlook Handbook** and in the Bureau of Census data which guide most training programs, basically reflect socio-

economic factors and generalized employer standards rather than objective performance demands.

Preliminary results of a project to study industrial hiring practices have led New York University Professor Daniel E. Diamond to suggest that "An employer's insistence on inflated hiring requirements unnecessarily restricts the supply of labor available to him; consequently creating a self-imposed labor shortage."[45] Professor Diamond's pilot study of two occupations, salesman-driver (routeman) and wireworker (low-skilled electrical assembler), found that hiring requirements regarding education, work experience, sex, and appearance were all exaggerated and often irrelevant to adequate job performance.

The personnel director of the Inorganic Chemicals Division of Monsanto Company in St. Louis, Mr. K. B. Bernhardt recently told a government conference that "Most factory type jobs require only **6th grade competency** (Bernhardt's emphasis) in arithmetic, spelling, reading and writing, and speaking. Too often, business has used the requirement of a high school diploma or certificate as an easy means of screening out job applicants."[46]

A related factor is that most workers learn on the job, rather than being hired for skills acquired or possessed in advance. A survey conducted by the National Committee on Employment and Youth for the Office of Juvenile Delinquency of H.E.W. confirmed "other recent studies in finding that a minority of workers acquire occupational skills through formal on-the-job training, either at the entry level or for up-grading. There is a concensus that the large majority, and especially blue-collar workers, learn on the job through observation, trial and error, and irregular assistance from colleagues and supervisors. . . ."[47]

Describing the training of "the largest occupation group in the Nation's labor force . . . about 1 in every 6" the semi-skilled workers, the **Occupational Outlook Handbook** reports that:

> "Semi-skilled workers ordinarily receive only brief on-the-job training. Usually they are told what to do and how to do it, and their work is supervised closely. They often repeat the same motions or the same jobs throughout the working day."[48]

45. Diamond, Daniel E., **Progress Report** on Office of Manpower Policy, Evaluation & Research (Dept. of Labor) Project: "A Study of the Relationship of Industry Hiring Practices to the Employment of Disadvantaged Groups," May 1, 1967.

46. Bernhardt, K. B., "Getting the Employer To Do The Impossible," address to Justice Department, Community Relations Division, Conference on Job Opportunities for Minorities, Chicago, June 1967.

47. **Getting Hired, Getting Trained,** National Committee for Employment of Youth, p. 65.

48. **Occupational Outlook Handbook, op. cit.,** p. 364.

It is significant for job developers that these jobs, together with "unskilled jobs," require some 420,000 new workers each year just to replace those who die or retire regardless of long run trends of growth or decline.

Much other evidence suggests the really limited requirements for performing most entry level jobs. The enormous extension of the labor force in World War II is one example. Another is the effectiveness with which approximately 5 million workers from the rural and depressed areas of Europe were to migrate and be used in the factories of West Germany, Great Britain, and the low countries in the past few years.[49]

Or consider the report of the managing director of the Union Carbide Corporation tin plan in Thailand, Mr. Robert S. McNair who describes his 315 "hardhatted ethnic Chinese workers" as "good workers even if they're a little careless about safety."[50] The National Commission on Technology, Automation, and Economic Progress in 1966 observed that "Japan and Western Europe operate sophisticated industrial economies with educational profiles far inferior to our own . . ."[51] A report on the Japanese economy states that "the hunt for young workers, graduates of primary schools, junior and senior high schools, by industrial and business concerns is becoming almost desperate, particularly where the less educated workers are concerned."[52]

The import of these observations for the job developer is to indicate that disadvantaged youth, unless handicapped with some serious physical or mental disability, have the capacity to perform productive work in our modern industrial society.

This is not to deny the value both for getting hired and getting ahead of being able to read, write, and do arithmetic. Nor does it minimize the importance of "job readiness" for taking advantage of a job opening. Indeed the emphasis given to much of this preparation that is not directly related to performing the job, suggests that the actual demands of the work are not the serious problem. Nor is the importance of motivation to work to be ignored, although the degree to which this flows from low pay and the nature and conditions of the work available may be primary for this problem so easily blamed on the youth in question.

The job developer still has to face the fact that the employer is "the boss" — he does the hiring. But for the most part the real barriers to em-

49. Doty, Robert C., **New York Times,** February 27, 1967, p. 1.

50. Braestrup, Peter, **New York Times,** June 15, 1967.

51. **Technology and the American Economy, op. cit.,** p. 21.

52. **Asia Scene,** "The Economy," compiled by the Research Division, the Fuji Bank Ltd., Tokyo, Japan, Vol. 12, No. 5, p. 54, May, 1967.

ploying disadvantaged youth are not to be found in their "unemployability", **i.e.,** in their incapacity to perform productive labor, or more specifically, their incapacity to do the work required on most entry jobs.

Non-Performance Related Hiring Standards:

Even more ill defined and subject to adjustment than job performance hiring requirements, are those entry job standards based on the employers' estimates of a new workers role as a permanent member of the production force, of the "family." These are "luxury" standards, based on the tightness of labor supply for any particular employer. If "everyone wants to work for company A," then that company can and does set very high standards regardless of the overall labor demand-supply situation in the locality.

An illustration of this differential occurred recently when it was announced that 700 Class B jobs would be available in San Francisco under the very desirable wage and working conditions of the Union (International Longshoremens and Warehousemen's Union — ILWU) contract. Very strict standards were announced by the Joint Coast Labor Relations Committee, but 23,000 wrote in for applications and over 15,000 applications were filed. The available labor force for such jobs was not the unemployed in San Francisco, but a significant portion of the **employed** who would like to shift to better employment. Employers know this and very understandably make the most of any hiring advantage they have in the labor market. This obviously complicates and makes more inflexible large hiring sectors of the labor market. To a degree this explains the stubborn obstacles to "good" jobs for the average unemployed person — his competition for preferred work is not just his fellow jobless, but a big section of workers already on a job.

A variety of considerations explain the employers inclination to reduce hiring standards only when forced to do so by his own labor needs:

1. A desire to have the largest and best possible pool for internal promotions to meet company needs. Thus, for example, telephone company linemen may be required to be high school graduates for company promotion purposes even though less than ten percent ever advance above the lineman occupation.

2. Union security contract agreements and associated employee benefit provisions increasingly make it difficult to fire an employee. Thus in many situations an employee quickly gains a vested and protected claim to his job. The employer tends not

to hire someone just to do an immediate task, but to hire a permanent member of his work force.

3. In a related effect, the cost of hiring or employee intake has increased, making employers more inclined to be very selective.

4. An employer, especially the manager of a particular production unit (a plant, an office, a store, a workcrew), inevitably gives serious consideration to the "team" or "family" aspect of his working force. There are some employers who accept high turnover and a transient work force which is hired just to do an immediate task, but these are the exception and the jobs are of low quality in conditions and pay. The "team" motivation in hiring policies undoubtedly works against the disadvantaged. The employer may seek what he considers a congenial work force, and by this may mean a homogeneous work force in a variety of aspects, especially national and racial. He may want to exclude any possible "troublemakers", and thus exclude those lacking orthodox appearance, personality, and background. Some of these "team" standards may be spurious, some may be very well founded from the employers point of view, some may be merely superficial. In any event, they are hiring standards defined by the individual employers real or imagined best interest rather than any public or social policy. The job developer may dissipate some of these barriers, but the real factor for change favoring the unemployed will probably be relative labor shortage.

Institutional and Legal Hiring Standards

A wide variety of barriers to employment are found in many legal requirements and in certain institutional standards governing employment. These are particularly relevant to young job seekers, primarily those aged 16 and 17. In some respects these barriers are legitimate and cannot be avoided. In another respect, they are unnecessary and even illegitimate. A job developer needs to evaluate these obstacles and determine which are and which should be subject to change and which have to be accepted.

Under Age 18:

Generally, jobless youth below 18 years of age represent a very special problem group insofar as regular private employment is concerned. In May, 1967 (before the summer student influx) there were 291,000 16 and 17 year old youths on full time jobs while 1,775,000 were voluntarily working part time. Only 277,000 in this age group were reported as unem-

ployed.[53] Of course, these are the reported data, and the figures for unemployment in this age sector are most probably seriously understated.

Limitations to employment of "under 18" youth are found in state requirements for special work permits, varied licensing requirements, and regulations which bar such young workers from certain night work and jobs connected with the sale of liquor, or limited safety. In many situations where union regulations apply, 18 is set as the minimum entry age.

Added to these factors, is the fact that persons under 18 are very much still in the adolescent stage with very particular associated physiological and psychological features limiting their stability of work and their acceptability in the U.S. competitive labor market. That these "adolescency" barriers are not really decisive for job performance capacity is suggested by the fact that in Western Europe, for example, youngsters typically leave school and enter the work force around 15 or 16 years of age.[54]

The employment problems of youths below 18 have been of such a special character that many manpower programs make no pretense of job development for 16 and 17 year old youngsters. To some degree this represents a "no programs land" of job development. Because of the special problems presented, every job development program should consider the design of a special program to meet the particular and difficult employment needs of youth below the age of 18.

Discrimination

Racial discrimination in the hiring process is a major barrier to the employment of disadvantaged youth. The head of the human resources program in a major city has suggested that the most effective job development effort his program could make would be to hire a battery of hard hitting civil rights lawyers to enforce anti-discrimination laws. It is doubtful that any job development program can progress without a plan and a program for combatting racial discrimination in hiring.

The facts of job discrimination are too well known to require recounting here in detail: the non-white unemployment rate of 7.5 in 1966 was 120 percent higher than the white unemployment rate of 3.4; the reported jobless rate for Negro teenage boys and girls was more than double that for white boys and girls;[55] summer teenage jobs have gone almost entirely to

53. **Employment and Earnings and Monthly Report on the Labor Force,** June 1967, Table A-7, p. 22.

54. Hilaski, Harvey, "Age of Labor Entry: Foreign Countries," **Monthly Labor Review,** September 1967, pp. 36-38.

55. **Employment and Earnings and Monthly Report of the Labor Force,** January 1967, pp. 3-14.

whites;[56] white high school dropouts aged 16 to 21 do a little better economically than do nonwhite high school graduates.[57]

With respect to job development several points need recognition:

1. Racial discrimination in employment is massive and pervasive and progress against it has been very limited.
2. The impact of racial discrimination in hiring is not limited to the South, but is a crucial factor in virtually all employment locations.
3. The **quality** of job opportunities opened for non-whites is perhaps even more important than the **number** of jobs developed. The reality of the Negro revolt against dead-end menial jobs must be faced and the job developer needs to put unusual emphasis on the status, pay, security, and working conditions of jobs offered to Negro youth especially.
4. The job developer cannot accept the stress on deficiencies of Negro education, training, and family life as an escape from the fact of simple and current racial bias in hiring. The differences in job opportunities for white and nonwhite high school dropouts make this clear.

To develop jobs for Negro youth will require a blending of several programs: (1) Inducements to hiring by education of employers, appeals to conscience and public relations interests, and to the economic needs of private employers; (2) Enforcement of antidiscrimination laws by legal means and direct action in each community; (3) Development of special incentives, subsidies, and job creation programs designed to open up jobs for Negroes and other minorities. Many such programs, as discussed in the next chapter, are not specifically aimed at minority job creation but actually have that very specific effect. Plans for redevelopment and new construction in the slums, and model city programs all have a special potential of overcoming discrimination in hiring.

Two special areas of job development for minorities should be emphasized:

56. **Op. cit.,** September, 1966, p. 3-4. See also, **The Juvenile Delinquency Prevention Act of 1967,** Hearings before the General Sub-committee on Education of the Committee on Education and Labor, House of Representatives Ninetieth Congress, First Session, Statement of the Department of Health, Education, and Welfare, "About 1,350,000 more teenagers worked in the summer of 1966 than in the summer of 1965. But only 50,000 of these additional young workers were Negroes." P. 647.

57. Hamel, Harvey R., "Employment of High School Graduates and Dropouts in 1965" **Monthly Labor Review,** June, 1966, pp. 648-649.

New Careers — the opening of jobs with built-in training and genuine upward mobility in public service has enormous possibilities of overcoming discriminatory barriers.

Construction Industry — development of jobs in this major industry is of special importance to Negro males and is a generally high wage — good condition employment area. It is of central importance because much new construction is scheduled within the Negro ghettos, the work is highly organized by unions and employers, and government funds invariably militate against very visible discriminatory practices. Discrimination in construction work is much discussed and a very live issue. It should be a major job development target.

FULL EMPLOYMENT — JOB DEVELOPMENT AND JOB CREATION

Manpower programs for development of jobs for the unemployed must operate within the constraints of the general trend and level of employment in the economy. As Gunnar Myrdal said in the quotation in the preface to this paper, without "rapid and steady" economic expansion there is little hope that the marginal and relatively disadvantaged jobless can find employment as a result of training and/or relocation. Successful **general** job development is possible only during a period of **general** reduction in the volume of unemployment or under conditions of full employment when there is a **general** shortage of labor and employment opportunities exist for every person able and willing to work.

There will, of course, be variations in the trends and tightness between local labor markets which affect employment opportunities for the disadvantaged. But these variations will have only limited and marginal effect on the possibilities of job development. Certainly, unless the overall economic factors are favorable, the main centers of unemployment, whether in ghettos or depressed areas, among minority groups or disadvantaged youth, will not be greatly affected by job development efforts.

Specifically, if the present level of unemployment in the United States — officially reported as about 3 million persons or 4 percent of the labor force totally unemployed — is allowed to persist, job development will be drastically circumscribed. Since the development of the comprehensive national manpower programs which began in 1961 two phases are discernible: From 1961 through 1965 there was a steady drop in unemployment from a reported rate of 6.7 percent and 4.8 million jobless to a rate of around 4 percent and 3 million jobless; beginning toward the end of

1965 and extending to the present (Fall of 1967) the reported rate and volume of unemployment has been stabilized on a plateau of a 4 percent jobless rate and 3 million unemployed. During the entire period 1961-67, in addition to reducing reported unemployment by almost 2 million, about 6 million new entrants to the labor force got jobs. This labor force growth far exceeds the expectations based on demographic trends, the increase of 1.8 million in 1966 being nearly 500,000 more than expected on the basis of age and population trends. Such increases aggravate the problem of job development for the disadvantaged unemployed.

In the five years 1962 through 1966, while about 1.5 million farm jobs were eliminated, about 8.5 million non-farm jobs "developed." But these jobs developed in the process of overall economic expansion including the effects of the Vietnam War, and were distributed primarily on the basis of established hiring standards, practices, preferences, and prejudices. Jobless rates for married men, blue-collar workers, and nonwhite adult males were cut in half. Long term unemployment (over 15 consecutive weeks) was cut two-thirds, and areas defined as "hard core depressed" were reduced from 101 in 1961 to 8 in 1967. But unemployment rates for non-whites, for teenagers, and for workers with limited skills and education fell much less than the general trend.

If the reported total unemployment remains at 3 million, job development really can only seek to affect **which** workers are jobless, to possibly **replace** an employed person by a presently unemployed person. In contrast, if national economic trends led to an overall unemployment rate of 3 percent instead of 4 percent, about 750,000 persons currently jobless would be employed. Under these circumstances, job development programs and job developers would facilitate the employing process, overcoming artificial barriers to employment, and helping integrate job training and preparation with actual placement.

In fact, overall job development prospects are now stalemated by the national economic policy which has accepted current unemployment levels as practically irreducible. Economists refer to this as a "trade-off" between lower unemployment and inflation. While retaining an ultimate goal of further reduction in unemployment, the Administration has clearly accepted a 4 percent unemployment for the present: The 1967 **Economic Report of the President** in the "Annual Report of the Council of Economic Advisers" states:

> "The experience of 1966 clearly suggests that expanding demand cannot lower the unemployment rate much below the present level without bringing an unacceptable rate of price increase. Under

present conditions, **an overall unemployment rate close to 4 percent appears to be associated with an approximate balance between supply and demand in most labor markets. A higher level of demand for goods and services would create inflationary pressures in both product and labor markets** (emphasis added)."[58]

As the President put it: "we can tolerate no new spurt of demand."[59]

Whatever the merits of this position may be, the job developer is confronted with the prospect of unemployment continuing at current levels, or even possibly at somewhat higher levels if the anti-inflationary policies are fully effective. The consequences are suggested by the argument of Professor James Tobin before the Joint Economic Committee of the U.S. Congress, on February 16, 1967 urging further reduction of unemployment. Professor Tobin, of the Yale Economics Department and a former member of President Kennedy's Council of Economic Advisers said:

> "I believe that further tightening of the labor market can bring considerable economic and social gain, especially in the reduction of Negro unemployment, the expansion of job opportunities for youth, and in the reduction of long-term unemployment. Tightening the labor market enlists the powerful forces of private enterprise and free markets on the side of the "war on poverty." If unemployment rates are allowed to rise, these forces will be working at cross purposes with the government's manpower programs."[60]

CLASSIFICATIONS OF JOB CREATION

Job Creation can proceed on several different levels: (1) by stimulation of aggregate demand the total demand for labor can be increased; (2) by special programs for economic development in depressed areas, in a state, a city, or a ghetto, job openings can be stimulated in particular localities; (3) job development through job creation can be aimed at particular groups by a variety of targeted subsidies and special inducements. There is a crossover between these three categories. Also some job creation programs such as New Careers in public service and increased jobs in the construction industry relate to each level. There are major disputes over the merits of the alternative job creation programs which will not be settled in this paper. But the following illustrates current approaches to job development through job creation.

58. **Economic Report of the President,** January 1967, p. 99.

59. **Ibid.,** p. 9.

60. Tobin, James, U.S. Congress, Joint Economic Committee **Hearings on 1967 Economic Report of the President,** February 16, 1967, p. 579 - Part 3.

INCREASED GENERAL DEMAND FOR LABOR

As already indicated, there is a serious public policy debate over the issue of inflation versus reduced unemployment. The Administration's pressure for economy in spending, for a tax increase, and deflationary fiscal-monetary policies all aim at maintaining present total unemployment levels. Opponents of this thrust of policy seek further reduction in the jobless rate. Whatever the merits of the arguments, the consequences for job development are clear.

Without judging the merits of the Vietnam War at this point, it is significant that the demands of that conflict have been the major job creating factor during the past two years. It is estimated that between fiscal year 1965 and fiscal year 1967, the Vietnam War buildup resulted in an increased total public and private employment of 1,813,600.[61] Isolating this factor, such war induced employment represents the difference between a 4 percent and a 6 percent unemployment rate.

Among the proposals for raising the general level of economic activity to create the jobs necessary for full employment are plans to greatly increase spending in the public sector. These national economy plans have been followed by similar and huge proposals for urban spending. Finally, in a closely related development, proposals that the government must be the "employer of last resort" providing jobs for all the residual unemployed have gained increased prominance.

Freedom Budget:

The "Freedom Budget" sponsored by the A. Philip Randolph Institute and a wide group of liberal, civil rights, and labor representatives is a good example of an approach to job creation through increased economic activity. Prepared by a former Chairman of the President's Council of Economic Advisers, Leon Keyserling, the "Freedom Budget" proposes a schedule of increased public spending that, it is claimed, would utilize all resources at full capacity. The essential factor of this proposal is to reduce unemployment to "below 3 percent by early 1968, and preferably 2 percent."[62]

The "Freedom Budget" projects a 10 year (1965-1975) balance sheet of national needs and resources in quantitative terms and proposes a time schedule of public and private spending to achieve maximum economic growth and production. Emphasis is on various income increases for the employed and unemployed poor, urban redevelopment and housing, medi-

61. Oliver, Richard P., "The Employment Effect of Defense Expenditures," **Monthly Labor Review,** Bureau of Labor Statistics U.S. Department of Labor, September, 1967, Table 1, p. 10.

62. **A "Freedom Budget" for All Americans,** A. Philip Randolph Institute, 1966, 84 pp.

cal care, education and public service related to transportation, air and water pollution.

Full employment is to be achieved by "increases in total spending on demand [which] will eliminate unemployment in excess of 'frictional' or minimum unemployment." The "Freedom Budget's" sponsors argue that:

> "In very large measure the aggregate approach to full employment expresses an inescapable truth. Not a single unemployed person can get a job anywhere (except by taking it away from somebody else), unless there is additional spending to employ this person, **even if there is a current job opening to be filled.** This means more aggregate spending. And since this additional spending adds to our total production of goods and services, there is a clear and direct correlation between the reduction of unemployment and the rate of economic growth. This rate must be speeded up considerably to restore and maintain full employment.[63]

Government as Employer of Last Resort:

Early in 1967 and following the Senate hearings on the Federal Role in Urban affairs, Senator Abraham Ribicoff (D-Conn.) introduced S-585 "The Public Service Employment Opportunities Act" which would establish a 5-year program to provide 500,000 additional full-time public service jobs. Senator Ribicoff explained the bills purpose to the Senate by saying:

> "For those who cannot find or qualify for a job in the private market, the government should function as an employer of last resort."[64]

Subsequently, two major legislative efforts towards this type of job creation developed, one in the Senate and another in the House of Representatives.

Emergency Employment Act:

The Senate Committee on Labor and Public Welfare proposed an "Emergency Employment Program" as part of its 1967 Amendments to the Economic Opportunity Act. This program was aimed to create 200,000 jobs during 1968 and 250,000 during 1969 through an expenditure of $1 billion during fiscal 1968 and $1.5 billion during fiscal 1969.[65] It was rejected by the Senate by a vote of 54 to 28 on October 4, 1967, after a bipartisan compromise substitute had been defeated by a vote of 47 to 42. Similar legislation has been introduced by other members of Congress. The

63. **Ibid.,** p. 29.

64. **Congressional Record,** July 27, 1967, p. S10333.

65. U.S. Congress, Senate Committee on Labor and Public Welfare, **Economic Opportunity Amendments of 1967,** Report No. 563, pp. 74-80.

principle Senate sponsor, Senator Joseph S. Clark (D-Penna.), has announced his intention to pursue this legislative objective through special hearings of the Subcommittee on Employment, Manpower, and Poverty which he heads. This approach to job creation represents a major available alternative.

The Emergency Employment Act would pay the costs of jobs created in public services such as health, public safety, education, recreation, streets, parks and municipal maintenance, housing and neighborhood improvement, conservation and rural development. The annual wage cost is estimated at $4,000 per person, plus $1,000 for administration and fringe benefits. Those to be employed would be low income persons "not able to find jobs in regular competitive employment." The work would be "relatively low skilled" and no previous training would be required. But "it is intended" that training, advancement, and even "new careers" potentialities would be provided.[66] The program would be administered by the Secretary of Labor and operated locally by public or private organizations.

The Senate Committee's argument for this job creation effort as an addition to existing programs is based on the existing serious unemployment problem — "At midsummer (1967), 3 million Americans were unemployed and looking for work, and as many as 1 million were potential workers had dropped out of the labor market because of discouragement" — and on the view that present programs "concentrate on training rather than immediate employment. Training is certainly needed for a large proportion of the unemployed, but no amount of training will solve the total problem unless the jobs are there. Conversely, if jobs are certain, training can be accelerated."[67]

Guaranteed Employment Act:

On August 10, 1967 the leading manpower specialist of the House Committee on Education and Labor introduced a bill (HR 12280) titled "The Guaranteed Employment Act of 1967." Seventy-six other Congressmen joined Mr. James O'Hara as sponsors. This bill would appropriate $4 billion for fiscal 1968 to create 1 million new jobs for "people who are now unemployed or seriously underemployed." Grants would be made to federal, state, and local government agencies and private non-profit organizations for this purpose. Although the bill does not specify the nature of these new jobs, Congressman O'Hara told the House of Representatives:

66. U.S. Congress — Senate Committee on Labor and Public Welfare, **Emergency Employment Act: Summary - Questions and Answers,** September 1, 1967, 11 pp.

67. **Ibid.,** p. 5.

"It clearly envisages what I would call 'entrance jobs' — jobs in urban improvement, jobs as teachers aides, hospital aides, jobs on reforestation projects, jobs which the economy needs, and which the unemployed need, but jobs which do not now exist."[68]

The O'Hara bill is pending before the House Labor and Education Committee. It has been endorsed by the AFL-CIO. While it has no immediate prospects of favorable action, it represents a serious job creation proposal with powerful support.

JOB CREATION IN SPECIAL AREAS and for THE DISADVANTAGED JOBLESS IN URBAN SLUMS

A major emphasis on area job creation is now directed at programs to aid the economic development of the slum or ghetto. Two older and important types of more generalized job creation have preceded this current emphasis: (1) community "boot-strap" economic programs and (2) depressed area programs based on government aid.

Community Economic Development:

Many, if not most, cities and states are engaged in some sort of a program to induce existing employers not to move away and/or to attract new employers. This effort usually involves a variety of economic inducements, tax benefits, licensing privileges, direct subsidies, technical assistance, or aid in locating space and facilities.

The Committee for Economic Development has analyzed five cases of such community efforts — Burlington, Vermont; Utica-Rome, New York; Altoona, Pennsylvania; Evansville, Indiana; and Helena, Arkansas.[69] The Committee found each program had unique features, but all of them aimed at achieving a coordinated and widely supported plan to attract new employers.

But these community efforts have had little impact on the employment problems of the disadvantaged. Indeed that has not been the purpose of the programs seeking to support the general economic recovery or prosperity of a particular area. Much of this effort has been simple competition between different cities for "business", just as California and New York compete for government military orders, or as New York City and Hollywood compete for the television industry.

68. **Congressional Record,** August 10, 1967, p. H10358.

69. Committee for Economic Development, Area Development Committee. **Community Economic Efforts: Five Case Studies.** New York: 1964, 349 pp. (Supplementary Paper No. 18).

Federal Aid to Depressed Areas:

The Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965 provide special Federal funds and assistance to economic recovery efforts in especially depressed areas. Primarily aimed at the development of economic resources, these programs have had but little and only indirect effect on the creation of job opportunities for disadvantaged unemployed.

Rural Job Creation:

A special phase of area job creation is directed at the rural unemployment problem. In general rural areas have received relatively little attention from the manpower and anti-poverty programs. The Rural Job Development Act of 1967 introduced on July 21, 1967 by Senator James B. Pearson (R-Kan.) and 24 other Senators is an example of a special approach to the rural job problem.

Under Senator Pearson's bill (S2088) substantial tax credits are provided for enterprises locating in "rural job development areas" where a serious employment problem exists. To qualify, a company must establish the fact that **new** jobs are being created. Special on-the-job training assistance would be provided in addition to tax incentives.

Slum Area Job Creation:

The main concentrated attention in job development is now turned on the inner city, the slum or ghetto area. In fact this concentration is also on the unemployed Negro and other urban minority group jobless persons, primarily youth. It also is aimed at the major group of disadvantaged unemployed who are found in the big city ghettos. There are important reasons for this emphasis. The special Bureau of Labor Statistics Survey of "subemployment" in 10 slum areas in November 1966 showed a 34 percent rate in contrast to the expected 10 percent rate of traditionally defined unemployment. The ghetto uprisings in 1967 dramatically showed the urgency of the problem. Most disturbing, job development programs and promises have so far had little effect in changing the ghetto unemployment condition. Consequently a whole panoply of "job creation" plans are now being supported. The following are some of the most important.

Model Cities Program:

Under the terms of the Demonstration Cities and Metropolitan Development Act of 1966, the Model Cities Program is aimed at providing a coordinated attack on all aspects of the slum problem. Included in the comprehensive program are housing rehabilitation and construction; public

services such as health, education, and recreation; general community physical improvement, and an attack on all types of sub-employment.

Presumably jobs would be created in the Model Cities Programs through the needs of reconstruction, through the attraction of new employers into the rehabilitated area, and through new public service jobs. Since this program is in its very preliminary planning stage, it is too early finally to judge its job creating potential. But there are already apparent serious limitations in the program. Funds for Model Cities are extremely limited, with only $537 million approved by Congress as the fiscal 1968 appropriation. When divided among 50 to 100 cities, and shared among several different activities, the actual amount for job creation effects will be almost negligible. Furthermore, the manpower component of the Model Cities Program and the initial community proposals are particularly weak. The very comprehensiveness of the Program apparently permits easy de-emphasis of the tough employment problem. Finally, there is a failure in the plans proposed by most communities to attack the problem of exclusion of minorities from construction unions and work. The consequence is that construction jobs flowing from the Model Cities Programs would not go to the under-and unemployed Negroes and other non-whites living in the slums.

Several proposals have been made by government officials to aid creation of "ghetto jobs." On October 2, 1967 President Johnson announced a test program to attract more private industry efforts to create jobs in "city core areas." The President called on various government agencies to cooperate in the program "to provide jobs and job training opportunities for the seriously disadvantaged." The President also announced that "on September 12, 1967, the insurance companies in this country agreed to commit $1 billion of their funds for investments in city core areas to improve housing conditions and to finance job creating enterprises."[70] Chicago, Los Angeles, Boston, Washington, San Antonio and the rural Mississippi Delta were chosen as initial targets.

Senator Robert Kennedy (D-N.Y.) has proposed substantial tax incentives to private employers to induce their investment in slums and their creation of jobs for hard-core unemployed. These proposed tax incentives would increase credits for both equipment and buildings, and provide a special tax reduction of about 25 percent of the wages paid to disadvantaged unemployed put to work by the cooperating employer. To qualify for these benefits, a company would have to create at least 50 new jobs, two-thirds of which would have to be filled by residents of the poverty area. Senator Kennedy's bill (S-2088) is called the "Urban Employment Opportunities

70. **Congressional Record,** October 2, 1967, p. H12842, Memorandum, October 2, 1967, from President Johnson to heads of various government agencies.

Development Act of 1967." Nineteen other Senators, including six Republicans, joined in sponsoring the bill when introduced on July 12, 1967.

Earlier on January 23, 1967 Senator Ribicoff had introduced S 581 to amend the Public Works and Economic Development Act of 1965 to authorize tax rebates and guaranteed loans for industries investing in urban areas of high unemployment and low income.

A number of private groups have put forth plans for job creation in the urban slums:

Urban Coalition:

This group consists of urban mayors, business, church, labor, and civil rights leaders. Mayor Lindsay of New York City and Mayor Joseph M. Barr of Pittsburgh (also Chairman of the Conference of Mayors) brought the coalition together. Henry Ford II, David Rockefeller, President of the Chase Manhattan Bank, joined labor leaders George Meany and Walter Reuther on the coalition's steering committee.

The Coalition's statement of policy, unanimously adopted at a Convocation on August 23, 1967, stressed the urgency of special efforts in the private sector to create employment for the "hard core unemployed" and stated:

> "When the private sector is unable to provide employment to those who are both able and willing to work, then in a free society the government must of necessity assume the responsibility and act as the employer of last resort or must assure adequate income levels for those who are unable to work.
>
> "The Convocation calls upon the Federal Government to develop an emergency work program to provide jobs and new training opportunities for the unemployed and the under-employed. . . . To create socially useful jobs, the emergency work program should concentrate on the huge backlog of employment needs in parks, streets, slums, countryside, schools, colleges, libraries and hospitals. To this end an emergency work program should be initiated and should have as its first goal putting at least one million of the presently unemployed into productive work at the earliest possible moment."[71]

AFL-CIO:

The Executive Council of the AFL-CIO on September 12, 1967 issued a statement on "America's Urban Crisis" with primary emphasis on cre-

71. **Congressional Record,** August 31, 1967, P. A 4448, "Statement of Principles, Goals, and Commitments — Emergency Convocation: The Urban Coalition."

ation of jobs in urban slums. The AFL-CIO called for creation of "one million public service jobs for persons now unemployed or seriously underemployed" and declared its support for the O'Hara bill providing $4 billion for this purpose. The Guaranteed Employment Act sponsored by Senator Clark and others was supported as "a step in the right direction."

NAACP:

The NAACP has proposed that $50 billion of annual tax revenues should be spent for "productive capital investments" in housing, health, education, and transportation in the big cities. It has estimated that New York City ghetto housing needs alone would require a "net public subsidy" of $1.1 billion a year for ten years. As the NAACP Labor Secretary Herbert Hill told the White House Conference "To Fulfill These Rights" in 1966:

> "The new investments for updating the housing facilities of New York City will automatically create 400,000 new jobs in the construction and allied industries in that city alone. Here, then, is a major tool for opening up job opportunities for Negroes, Puerto Ricans, and others who have been deprived of equal employment opportunity. Of course there will be severe problems in realizing these goals unless the construction labor unions and building contractors are forced to abandon their traditional discriminatory practices. . . ."[72]

Conclusion:

There is a remarkable similarity among the varied plans for job creation to reduce current unemployment. In essence their common aim is to reduce the overall unemployment rate from 4 percent to 3 percent by the creation of a million new jobs. There is a conjunction of the two schools of thought about the nature of unemployment at this level — there is recognition that both increased aggregate demand in the economy and special job preparation and special job opportunities to eliminate structural employment barriers are required to absorb the next one percent slice of today's unemployment.

But without new employment opportunities — either from the private or the public sector — job development programs are bound to be stultified and end in defeat and frustration.

72. Hill, Herbert, "Planning the End of the American Ghetto: A Program of Economic Development for Equal Rights." NAACP document.

Appendix A

SOURCES —
GENERAL BACKGROUND LABOR MARKET INFORMATION

There is a great deal of overall national labor market data, useful as background for job development. The following are the major sources of such general labor market information:

Monthly Report on the Labor Force:

Detailed information on the national employment and unemployment situation is issued each month by the U.S. Department of Labor. This is the basic source of information, and appears in the Department's publication of the Bureau of Labor Statistics **Employment and Earnings and Monthly Report on the Labor Force.**

Some 33 tables describe the employment status of the population, the characteristics of the unemployed and the employed with a wide variety of data breakdowns based on sex, occupation group, color, age, etc. General trends are reported and the tables are preceded by a summary interpretation.

This monthly publication also includes a description of payroll employment by industry, hours and earnings in industry, labor turnover in manufacturing, and data on unemployment compensation. It can be ordered through the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 at a cost of $7.00 a year.

A preliminary report on "The Employment Situation" is issued as a press release early each month by the Bureau of Labor Statistics, U.S. Department of Labor. It contains the latest data and a three or four page summary of current national labor force developments.

Area Trends in Employment and Unemployment:

The publication of this title describes the labor supply and demand situation in 150 major labor areas. Special emphasis is on identification of the areas of such persistent and substantial unemployment as to make there area eligible for preference in the award of certain Federal procurement contracts and for designation as "redevelopment areas" under Titles I and IV of the Public Works and Economic Development Act.

There are numerous limitations to these data. Their basis is a monthly classification of the major labor areas according to adequacy of labor sup-

ply made by the U.S. Employment Service. Major metropolitan areas are not divided into significant sections. Thus there are single overall figures for New York and Los Angeles without reference to particular slum areas. But used with care, some important trends are indicated. The publication is issued by the U.S. Department of Labor, Manpower Administration, Bureau of Employment Security. It is available from the U.S. Government Printing Office.

Occupational Outlook-Handbook 1966-67 and the Occupational Outlook Quarterly

The Occupational Outlook Handbook is issued every two years by the Bureau of Labor Statistics, U.S. Department of Labor. It covers about 700 occupations in 30 major industries. For each of these occupations there is a general description on the nature of the work, where the work is located, training, general qualifications; the advancement, earnings, and employment outlook, and sources of further information. A general section "A Look at Tomorrow's Jobs" is included.

This large volume (BLS Bulletin No. 1450 - 858 pages) is on sale by the U.S. Government Printing Office for $5.00.

The related **Occupational Outlook Quarterly** updates the **Handbook** and is issued four times a year. It contains articles on current employment trends and outlook and reflects the continuing research of the Department of Labor. Annual subscription from the U.S. Government Printing Office is $1.25.

Employment Service Review:

Published by the U.S. Employment Service of the Department of Labor's Bureau of Employment Security, this monthly journal reflects the programs and operations of the Federal - State Employment Service. While many of its articles are general in nature and pertain to "house" problems, this publication frequently reports on job opportunities. Available from the Government Printing Office at $4.50 a year.

Monthly Labor Review:

This is the general journal of the Bureau of Labor Statistics, U.S. Department of Labor. It deals with all labor questions, and is a good source of general manpower information. Articles deal with labor supply and demand and the main labor force statistics are included each month. Also "Special Labor Force Reports" are usually included on particular subjects. The subscription rate is $7.50 from this Government Printing Office.

SOURCES — MANPOWER PROJECTIONS

The following are the major current resources available to the person who seeks the best estimate of the job future in the United States:

Manpower Reports of the President — 1965 and 1966

The 1965 and 1966 Manpower Reports of the President contain effective summaries of "Future Manpower Requirements." The 1966 Report describes the expected changes between 1965 and 1970 by industry division and by major occupational groups. It also presents an analysis of what future — 1975 — manpower needs would be to meet a set of social welfare and urban development goals.[73]

Projections 1970: Interindustry Relationships — Potential Demand — Employment

This BLS Bulletin (No. 1536) issued in 1966 estimates total employment by major industry groups in 1970 on alternative assumptions of a 3 percent and a 4 percent unemployment rate. Conversion of these industrial employment projections into occupational requirements is still to be accomplished by the BLS.

America's Industrial and Occupational Manpower Requirements, 1964-75:[74]

This report was prepared for the National Commission on Technology, Automation, and Economic Progress by the U.S. Department of Labor's Bureau of Labor Statistics. It is the most far reaching and most sophisticated projection effort to date. It covers both industry and occupational groups. It is part of Appendix I of the Commission **Report** issued in February, 1966 and can be purchased from the U.S. Government Printing Office for $2.25. The Report itself summarizes "trends" and "prospects" on pages 17 to 31.

Projections in Occupational Outlook Handbook — 1966-67:

As already mentioned, the BLS **Occupational Handbook** deals with the future on two levels: (1) A section "A Look at Tomorrow's Jobs" summarizes the estimated prospects up to 1975; (2) each occupation description includes a section on the "employment outlook" which attempts to combine the government's information about growth trends, labor supply factors, and normal replacement needs for that particular type of work.

73. **Manpower Report of the President - 1966,** pp. 39-47. See also, Stambler, Howard, "Manpower Needs by Industry to 1975" and "Manpower Needs in 1975: Detailed Projections of Occupational Requirements in the Next Decade," reprinted from **Monthly Labor Review,** March and April 1965.

74. **The Outlook for Technological Change and Employment,** Appendix, Volume 1, to **Technology and the American Economy,** pp. 1-187.

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